Daily Report

Latin America

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FBIS-LAT-96-038 *26 February 1996*

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Inter-American Affairs: Presidents Not To Attend Summit

PA2402002496 Panama City ACAN in Spanish 2146 GMT 23 Feb 96

[FBIS Translated Text] Panama City, 23 Feb (ACAN-EFE) — Panamanian President Ernesto Perez Balladares will not attend the summit of the Central American presidents with U.S. Secretary of State Warren Christopher, which will be held in San Salvador next Monday.

Sources at the Panamanian Presidency told ACAN-EFE that Perez Balladares will not travel to San Salvador, apparently, because he has previous engagements.

The Panamanian and Guatemalan presidents will be the only regional presidents not to attend the meeting with Christopher, who is beginning his long tour of Latin America in El Salvador. Alvaro Arzu had scheduled an official trip to Mexico.

The meeting will focus on issues such as commercial relations, drug trafficking, the movement of undocumented people, and cooperation in the region, among others.

Inter-American Affairs: Countries Want Mexico-Like Conditions

PA2402050696 Mexico City NOTIMEX in Spanish 0037 GMT 24 Feb 96

[Report by correspondent Elder Gomez]

[FBIS Translated Text] San Salvador, 23 Feb (NOTIMEX) — The Central American governments will ask U.S. Secretary of State Warren Christopher to treat the region under the same conditions Mexico enjoys under NAFTA.

On Sunday, Christopher will begin a three-day visit to El Salvador. On Monday he will meet with the Central American presidents, except for Guatemalan President Alvaro Arzu and Panamanian President Ernesto Perez Balladares. Both presidents had previous commitments on 26 February, the day of the meeting, which has been called mini summit of Central American presidents, a Salvadoran Government spokesman announced today.

Christopher will also meet with a group of businessmen of the Salvadoran Foundation for Economic and Social Development (Fusades), to learn about the economic situation of that Central American nation, according to a source from that business organization.

Salvadoran President Armando Calderon Sol said this week that his Honduran counterpart Carlos Roberto Reina will be in charge of conveying to Christopher the interest of the Central American countries in obtaining equal treatment within NAFTA.

Calderon Sol said that Reina is spokesman for the regional presidential summits because the most recent one was held in December in the Honduran City of San Pedro Sula.

"Central America has great expectations regarding its request for equal conditions within NAFTA or having access to the U.S. market under the same conditions as Mexico," Calderon Sol stressed.

"We hope the U.S. secretary of state will understand our request for equal treatment," he noted.

Reina will present to Christopher the free trade agreements reached between Central America and Mexico during the Tuxtla Gutierrez II presidential summit held in Costa Rica on 15 and 16 February, Calderon Sol said.

During that summit, the Central American and Mexican presidents agreed to form a "privileged association" to create a free trade zone and participate in international forums with "a single voice," among other commitments made.

In 1995 Central America registered a commercial deficit of $450 million with Mexico, after Mexican authorities applied customs barriers at the sixth level [de sexto nivel] Salvadoran Deputy Economy Minister Rene Leon disclosed.

On 1 January 1994, Mexico, the United States, and Canada implemented NAFTA, which Chile is trying to join.

In addition to the request that Central American nations will present, El Salvador will particularly ask Christopher to discuss the subject of Salvadoran immigrants who did not apply for programs to settle their migratory status in the United States.

Calderon Sol recalled that more than 150,000 Salvadorans were benefited during the past few years with a program sponsored by the U.S. Baptist Church to protect illegal aliens, which expired on 31 January. He noted however that some 350,000 Salvadorans did not apply for any program.

Salvadoran Foreign Minister Ramon Gonzalez Giner said recently that Salvadorans who did not receive the benefit of the programs to protect illegal aliens will be deported from the United States beginning in May.

U.S. Ambassador to El Salvador Alan Flanigan said Friday that Christopher's visit will show "support" for the actions in favor of peace and reconciliation, a process that began in 1992 with the singing of a general peace accord.

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"He is visiting El Salvador because this country has overcome a very difficult period, and has done it very well," the U.S. diplomat said.

The United States was the Salvadoran Army's main ally during the past civil war (1980-1992). During that period the Salvadoran Army received $5.350 billion to fight the Farabundo Marti National Liberation Front (FMLN), a former guerrilla group.

Christopher will also meet with Supreme Court President Jose Domingo Mendez and will be received by the Salvadoran Congress in a solemn session.

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Cuba

Cuba: 'Anti-Castro Sources' on Downing of Planes

PA2502003496 Paris AFP in Spanish
2340 GMT 24 Feb 96

[FBIS Translated Text] Miami, USA, Feb 24 (AFP) — Anti-Castro sources confirmed to AFP in Miami, that two of the three planes of the Brothers to the Rescue [Hermanos Al Rescate] organization were downed by Cuban MiG's this Saturday.

"We are receiving very confusing information. The information we have is that there were three planes, two of which were downed, and now they are trying to find the four crew members," Jorge Acosta, head of the anti-Castro Cuban Agenda group told AFP.

The same sources asserted that Coast Guard units are searching for possible survivors to the north of Havana without entering the 12 miles of Cuban jurisdiction.

None of the telephones of the Brothers to the Rescue organization or its president, Jose Basulto, was being answered.

Cuba: No Comment From Ministry 'So Far' on Plane Downing

PA2502032296 Paris AFP in Spanish
0126 GMT 25 Feb 96

[FBIS Translated Excerpt] Havana, 24 Feb (AFP) — There has been no official reaction by the Cuban Government on Saturday night to the Cuban Air Force's downing of two U.S. civilian light airplanes belonging to a Miami-based anti-Castro organization.

When asked by the media, the Cuban Foreign Ministry indicated that "so far" it lacked any information. [passage omitted]

Cuba: Miami Exile Groups Identify Crew Members of Planes

PA2502023896 Paris AFP in Spanish
0144 GMT 25 Feb 96

[FBIS Translated Text] Miami, USA, Feb 24 (AFP) — Argentine pilot Carlos Costa, who worked for the anti-Castro Brothers To The Rescue [Hermanos Al Rescate] organization as a volunteer, was the pilot of one of the two planes downed by Cuban MiG fighter planes in the Florida Straits this Saturday, according to charges made by anti-Castro groups.

Spokesmen from Cuban exile groups in Miami identified three of the four crew members who were in the two planes that were downed. In addition to Costa, the spokesmen mentioned the Cubans, Mario Pena (another pilot) and Armando Alejandri, who accompanied them. The crew members of the third plane, which managed to return to the United States, are being questioned tonight, and the information received is contradictory. Several reports indicate that Jose Basulto, leader of the Brothers to the Rescue organization, was in the plane.

[Mexico City NOTIMEX in Spanish at 0209 GMT on 25 February, carries a similar 400-word report, datelined Miami, which adds: "The 'Brothers To The Rescue' organization identified Pablo Morales as the fourth crew member in the two planes of the organization that were downed by a Cuban Air Force MiG plane."]

Cuba: Official Sources 'Silent' on Downing of Planes

PA2502025396 Mexico City NOTIMEX in Spanish
0155 GMT 25 Feb 96

[FBIS Translated Excerpt] Havana, 24 Feb (NOTIMEX) — Cuban official sources today kept silent with regard to the announced downing of two aircraft belonging to the Miami-based exile organization "Brothers to the Rescue [Hermanos al Rescate]." The aircraft apparently entered Cuban airspace.

"So far, we don't have any information about that," a source close to the Ministry of Foreign Relations told NOTIMEX when asked about reports about the downing of the two aircraft by a Cuban Air Force fighter plane. [passage omitted]

Cuba: Declaration on Downing Expected in 'Few Hours'

PA2502051396 Madrid EFE in Spanish
0425 GMT 25 Feb 96

[FBIS Translated Text] Havana, 24 Feb (EFE) — Diplomats of the U.S. Interests Section in Havana today requested an explanation from the Cuban Foreign Ministry about the alleged downing by Cuban fighter airplanes of two light aircraft belonging to the anti-Castro organization Brothers to the Rescue.

U.S. sources stated that the U.S. diplomats met this afternoon with Jose Fernandez de Cossio, director of the Cuban Foreign Ministry's North American office. The same sources declined to go into detail and merely stated that the instructions by U.S. President Bill Clinton had been carried out.

Earlier, President Clinton in a press statement "strongly" condemned the downing of the two airplanes and stated he had asked the Cuban Government for an explanation through its U.S. Interests Section in Cuba.

In Havana, a declaration by the Cuban Government is expected in the next few hours, on the incident, which

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has heated the always tense relations between the United States and Cuba.

Cuba: Official Statement Expected in 'Few Hours'

PA2502061696 Mexico City NOTIMEX in Spanish 0516 GMT 25 Feb 96

[FBIS Translated Excerpt] Havana, 24 Feb (NOTIMEX) — The Government of Cuba announced today that in the next few hours it will make an official statement on the downing of two small planes belonging to the Florida-based Cuban exile group "Brothers to the Rescue."

An official note on the incident will be ready in the wee hours of tomorrow (Sunday), a source close to the Cuban Foreign Ministry told NOTIMEX. The source confirmed that the U.S. Interests Section in Havana requested an explanation on this incident.

The imminency of the official statement, after a prolonged silence, was confirmed by the state-owned AGENCIA DE INFORMACION NACIONAL (AIN), which announced to its subscribers that it would extend its transmission time "awaiting important information."

The U.S. Government this Saturday asked Cuba for "an immediate explanation" on the incident, in which a MiG plane of the Cuban Air Force downed two small airplanes, each carrying two people on board."

Diplomatic sources in Havana stated that the incident could unleash one of the worst crises between Havana and Washington in recent years.

A spokesman of the U.S. Interests Section (a diplomatic office) in Havana confirmed to NOTIMEX on Saturday evening that a meeting was held with Carlos Fernandez de Cossio, director of the Cuban Foreign Ministry's North America Section.

"We have presented the request for an explanation of the incident in the terms requested," by U.S. President William Clinton, the source said. [passage omitted]

Cuba: Foreign Ministry Says Planes Violated Airspace

PA2502105796 Havana PRENSA LATINA in Spanish 1007 GMT 25 Feb 95

[FBIS Translated Text] Havana, 25 Feb (PL) — Cuba announced here today its decision to interrupt the flights of aircraft that violate the country's sovereignty and endanger the lives of Cuban citizens.

A note from the Foreign Relations Ministry reports that between 1521 and 1528 on Saturday, two pirate Cessna aircraft coming from Opalocka Airport, State of Florida, were downed five to eight miles north of Baracoa Beach, west of the capital, when Cuban airspace was once more violated.

It adds that units from the U.S. Coast Guard Service were authorized to enter territorial waters to conduct salvage and rescue operations at the place where the aircraft were downed.

After stressing that the downing of these two pirate aircraft must serve as a lesson to those who encourage and carry out such actions, the note states that the Cuban revolution will continue to invariably adopt all measures to defend its sovereignty and preserve the security of the people.

According to the note, an earlier violation had taken place the same day between 1015 and 1127 by three similar aircraft, at which time an Air Force plane flew to the area to prevent said action.

At 1321, the note continues, as the aircraft flew once more toward Cuba, one of those responsible for these incursions was warned by the Air Traffic Control Center in Havana that the antiaircraft zones of the airspace north of the capital had been activated and of the risk they faced, but — the note states — he ignored the warning and said he would proceed.

The Cuban Foreign Ministry notes that at 1515, it learned from an internal communication by one of the pilots that he was heading toward Havana and that, while two of the planes flew in, the leader of the group, in a third plane, would remain outside the 12-mile limit.

It recalls that these violations have ocurred many times and mentions those that occurred on 13 July 1995 and, more recently, on 9 and 13 January. These are violations carried out, it states, by groups of counterrevolutionaries of Cuban origin who reside the United States. Subversive leaflets were dropped during these incursions.

It also points to the warnings that Cuba has made with regard to such actions, as well as to the fact that on several occasions, local authorities informed the U.S. Government that similar activities were being carried out.

The note also includes within this context the threats and actions that "Cuban gangs residing in Miami" have been recently making in a particularly aggressive fashion.

It has not been necessary to obtain some of the basic elements in that part of the story through secret means, because the authors have taken it upon themselves to narrate them in Miami. It adds that such actions have been described in the Florida press, and top U.S. Government officials have even commented on them with alarm.

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The Cuban Government, the note states, accepted the U.S. Administration's request to allow Coast Guard units to enter our waters and carry out rescue operations together with local border guard troops in the place where the two planes were downed.

Cuba: Ministry Issues 'Official Note' on Plane Downing

PA2502114896 Havana PRENSA LATINA in Spanish 1050 GMT 25 Feb 96

[FBIS Translated Text] Havana, 25 Feb (PL) — Cuba announced here today that it decided to interrupt the flights of aircraft that violate its sovereignty and endanger the lives of Cuban citizens.

Following, PRENSA LATINA transmits the full text of the official note in this regard from the Foreign Relations Ministry:

"Between 1521 and 1528 on 24 February 1996, our Air Force downed two pirate Cessna aircraft coming from the Opalocka Airport, in the State of Florida, as they violated once more the airspace over Cuban territorial waters, between 5 and 8 miles north of Baracoa Beach, west of Havana.

Earlier, between 1015 and 1127, three similar planes had penetrated our airspace and territorial waters. At that time, one of our Air Force planes flew to the area to prevent the violation from continuing, while the pirate aircraft flew north.

At 1321, when they were again on their way to Cuba, one of those responsible for these incursions was warned by the Air Traffic Control Center in Havana that the antiaircraft zones in the airspace north of our capital had been activated and of the risk they faced by penetrating our airspace, to which he replied that he understood he could not fly over the zone but that he would so anyway.

At 1515 it was learned, from an internal communication of one of the pilots, that they were on their way to Havana.

While two of the aircraft penetrated the airspace, the leader of the group, in a third aircraft, remained outside the 12-mile limit.

This provocation took place on the day our country was commemorating the 101st anniversary of the beginning of the war of independence in 1895 and as the people of the capital were preparing to celebrate carnival.

These violations have occurred several times, despite the repeated warnings that they would not be tolerated and that patience has a limit.

As is recalled, on 13 July 1995 and, more recently, on 9 and 13 January 1996, groups of counterrevolutionaries of Cuban origin based in U.S. territory entered our airspace; during these incursions subversive leaflets were dropped.

With regard to the most recent incidents — incidents that are increasingly insolent, particularly the most recent one — the Cuban Government again warned, in time, about their seriousness and the consequences that could result from them.

At the end of the public note that appeared in the newspaper TRABAJADORES on 15 January the government warned: "We tell the transgressors that Cuba has the necessary means to guarantee the integrity of its national territory, as well as to stop unauthorized flights in its airspace. Therefore, the violators must be equally willing to face the consequences."

Likewise, on several occasions, our authorities informed the U.S. Government of the violating nature of the activities being carried out. These activities were reported in diplomatic notes, the most recent one being Number 45 of 16 January 1996.

In an effort to exhaust every dissuasive means to prevent these types of incidents, Cuban aviation authorities also addressed U.S. Federal Aviation Administration officials twice to inform them officially of the danger that such unauthorized flights represented for air navigation in our airspace.

Within this context we also find the repeated threats and actions that, in a particularly aggressive manner, gangs of Cuban origin operating from Miami have carried out recently. These threats and actions range from the aforementioned violations of our country's airspace and territorial waters to the acquisition of arsenals and boats, the introduction of weapons and explosives, and the sending of terrorist commando units to carry out violent acts in various places in Cuba.

It has not been necessary to obtain some of the basic elements in this part of the story through secret means, because the authors have taken it upon themselves to narrate them at news conferences in Miami. They are described in the pages of the local press in that city and top U.S. Government officials have even commented on them with alarm.

These officials, as can be proven in their statements, have rejected the intentions and actions of the terrorist bands that have their general staff in Miami. In fact, they have publicly warned them on several occasions that, if they were to continue with their misdeeds against Cuba, U.S. authorities would not be able to interfere in any measures the Cuban Government might adopt to guarantee the sovereignty of the nation it represents.

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That is why, after having issued several warnings and having adopted an extremely cautious attitude in the face of the repeated aggressive actions and statements from terrorist groups of Cuban origin who have their hideouts in Florida, the Cuban Government decided to interrupt the flights of aircraft that violate Cuban sovereignty and endanger the lives of Cuban citizens.

The responsibility for the measures the Government of Cuba was forced to adopt to preserve its sacred and inalienable duty to defend the national sovereignty, falls on those who repeatedly ignored the warnings issued and persisted in their irresponsible adventures.

The downing of the two pirate aircraft must serve as a lesson to those who encourage and carry out such actions, which are aimed at increasing tension between Cuba and the United States.

The Cuban revolution will continue to invariably adopt all necessary measures to defend its sovereignty and preserve the security of its people.

The Cuban Government accepted the U.S. Government request to send Coast Guard Service units into its jurisdictional waters and, together with its Border Protection troops, to carry out salvage and rescue operations at the place where two aircraft were downed.

Our government regrets the possible loss of human lives as a result of the irresponsible and criminal attacks against our country.

Ministry of Foreign Relations.

Cuba: Alarcon Trip Postponed Over Downings 'Tension'

PA2502182496 Madrid EFE in Spanish 1757 GMT 25 Feb 96

[FBIS Translated Text] Quito, 25 Feb (EFE) — Ricardo Alarcon, president of the Cuban National Assembly of the People's Government [ANPP], has postponed his upcoming visit to Quito due to increasing tension between Cuba and the United States after Cuban jet fighters downed two small civilian airplanes. Alarcon has suspended his trip due to "this incident, which has created a difficult situation." Jorge Payrett, counselor at the Cuban Embassy in Quito, confirmed all of this for EFE on 25 February. The ANPP president was scheduled to begin a series of meetings on 26 February with Fabian Alarcon, his Ecuadoran counterpart, and members of various commissions of the National Congress, including the International Affairs Commission.

Cuba: Data 'Tends To Confirm' Planes Violated Airspace

PA2602003896 Havana PRENSA LATINA in Spanish 1949 GMT 25 Feb 96

[By Javier Rodriguez]

[FBIS Translated Text] Havana, 25 Feb (PL) — As the hours go by new information tends to confirm that the planes downed yesterday by the local air force violated Cuban airspace and that this incident is connected to the frustrated activities of domestic opposition members.

The flight of two aircraft manned by a group of counterrevolutionaries residing in Miami was interrupted yesterday by Cuban aircraft for heading toward the island's mainland with unknown intentions and for unheeding warnings.

This incident topped a number of dangerous situations provoked by this type of incursion originating in the United States. Past incursions consisted of overflights and the dropping of propaganda on the Cuban capital itself. Havana made urgent appeals for this to stop.

The official U.S. request for authorization to search for the remains of the downed planes and possible survivors in territorial waters of the Caribbean nation, a request that Cuba granted, indicated that Washington, despite its initial statements, admits the possibility that the incident occurred in that area.

This explains the fact that the operation — involving Cuban rescue ships, the Cruiser Missouri, and the Nassau Assault Amphibious Vessel — is taking place by mutual agreement within the established 12-mile limit off the island's shoreline after U.S. efforts on international waters had failed.

The White House is aware, according to Cuban sources, of the existence of a recording of communications between local authorities and the violator aircraft. This recording contains a warning for the violators to reconsider their actions, accompanied by the violators' defiant response.

The incursion leader himself, Jose Basulto, admitted that he prudently stayed 15 miles off the Cuban shoreline while he ordered the other two aircraft to advance. This constituted the sixth violation of the country's air and maritime space by the same organization in seven months.

Another interesting comment by the international media regards the links between the interrupted flight and the activities announced on that day by the opposition elements residing in Cuba, which were later suspended.

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Practically without exception, the international news agencies and even spokesmen of the Cuban groups that operate in Miami have admitted that the incidents occurred in the heat of the campaign unleashed by the frustration caused over the fate of a meeting that was to be held in Havana.

Even Elizardo Sanchez, one of the former prisoners for crimes against state security, admitted in an interview granted to the Argentine AF IMAGES news agency today that several of the small opposition groups have contacts with the organization, which promotes and furthers air and maritime violations.

It was, precisely, Basulto, who announced in Miami, the sending of "an important donation" in cash to be given to those who wanted to conduct activities this weekend. Cuban authorities consider these activities to be against public order.

According to observers, all the aforementioned elements and the prior repeated warnings by the Cuban Government to avoid a situation like the one that occurred yesterday, indicate that the responsibility for what has happened must fall entirely on the adversaries of the Antillean nation's legal political process.

Cuba: Reports of Christopher's Remarks on Incident

PA2602001596 Havana PRENSA LATINA in Spanish 2140 GMT 25 Feb 96

[FBIS Translated Text] Washington, 25 Feb (PL) — U.S. Secretary of State Warren Christopher threatened today to establish retaliatory actions against Cuba for the downing of two light planes coming from Florida that entered the island's air space.

At a news conference at the White House, the chief of U.S. diplomacy rejected the explanations given by the government in Havana that the two airplanes had violated Cuban jurisdictional territory.

According to the head of the Brother to the Rescue group, who traveled in the third light plane and witnessed the incident, the two planes downed this Saturday were approximately eight kilometers from the coast of Playa Baracoa in western Havana.

In a statement, the Cuban Foreign Ministry regretted the loss of lives but emphasized that the responsibility rests with those who carry out "irresponsible and criminal aggressions" against the island.

The communique noted that those same planes had broken into Cuban air space on a previous occasion that same day and had been warned to avoid a second incursion.

Christopher's statements take place after a meeting of the National Security Council, which was also attended by Defense Secretary William Perry, National Security Adviser Anthony Lake, CIA Chief John Deutch, and General John Shalikashvili, chairman, Joint Chiefs of Staff of the Armed Forces.

Christopher said Washington will give an "appropriate answer" but did not reveal the type of retaliations. He noted, however, that the proposed retaliations had been given to President William Clinton who did not attend the meeting.

The secretary of state said the measures will be announced as soon as the President studies them. He added that Madeleine Albright, U.S. ambassador to the United Nations, had been instructed to summon a meeting of the Security Council to discuss the matter.

The official refused to answer questions posed by journalists who demanded details of the events and especially if the U.S. Government had taken any steps to stop those illegal overflights from taking place.

In a report from Miami, the CNN Television Network recalled that U.S. authorities had cautioned groups of Cuban origin in Florida regarding the dangers of those clandestine incursions into the air and maritime space of the neighboring island. However, it added, at no time had the government stopped or banned them officially.

According to reports obtained from CNN, the sanctions against Cuba, which are being considered, include the reinstatement of the prohibition on family visits, banning of monetary consignments to the island, cutting off telephone communication, and strengthening the economic blockade.

On his part, Congressman Charles Rangel asserted in an interview given to CNN that the planes downed in the Cuban western area had violated U.S. and international laws.

"No U.S. group has the right to violate Cuban air space and throw anti—government propaganda in transgression of U.S. and Cuban laws," the legislator for New York emphasized.

The use of airplanes in illegal actions has commenced again in the past months. These activities are financed by extreme-rightist, anti-Cuban groups in Miami. The government in Havana had issued public warnings, as well as warnings to authorities in Washington through diplomatic channels, Angel recalled.

In virtue of the neutrality act, no group in the United States can prepare, organize, or launch direct attacks, aggressions, or any instigations against a country to which Washington has not openly declared war.

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However, the U.S. Government has been criticized, even by U.S. political sectors, of not being patient with those extreme rightist groups of Cuban origin.

On 13 July 1995 and more recently, on 9 and 13 January 1996, Cuban air space and waters were violated by incursions sponsored by counterrevolutionary organizations located in U.S. territory.

Furthermore, FBI agents arrested three U.S. citizens of Cuban origin in Los Angeles last December and confiscated an arsenal of weapons, and plans to infiltrate Cuba.

Unexplainably, even for the FBI officers, a judge in that California city released them because according to what was reported, he was pressured by groups in Miami.

In a similar event, a ship with weapons, explosives, and five crew members was intercepted on its way to Cuba by the U.S.Coast Guard in Florida waters. The crew members were released after they were questioned.

Cuba: Spokesman on 'Evidence' of Airspace Violation

PA2502230996 Paris AFP in Spanish 2159 GMT 25 Feb 96

[FBIS Translated Text] Washington, 25 Feb (AFP) — The government in Havana has evidence indicating that the U.S. civilian planes that Cuban aviation forces downed on 24 February were in Cuban airspace, a spokesman for the Cuban Interests Section in Washington has told AFP.

"I am surprised (the United States) is insisting on a false report that the incident occurred in international space," said Jose Ponce, spokesman for the Cuban representation located within the facilities of the Swiss Embassy.

The spokesman has said Cuba has evidence to the contrary and will reveal it "at the appropriate time."

The United States and Cuba do not have diplomatic relations, but each country has an interests section at the embassies of third countries.

The United States has maintained a unilateral economic and financial embargo against the Caribbean island since 1962.

Ponce has abstained from commenting on the possibility that the United States will retaliate in the wake of the downing of the two Cuban planes.

"We do not want to act hastily" or issue statements "before we know what the U.S. reaction will be," Ponce added.

The spokesman has said, however, that Cuba will reply "with the moderation this type of situation warrants."

Cuba: UN Mission Reports Threats, Attack on Diplomat

PA2602045296 Havana PRENSA LATINA in Spanish 0335 GMT 26 Feb 96

[FBIS Translated Text] United Nations, 25 Feb (PL) — The permanent Cuban mission to the United Nations charged today that it is receiving telephone bomb threats against its building as well as against its diplomats.

Ambassador Pedro Nunez Mosquera, the Cuban charge d'affaires to the United Nations, issued a statement reporting that such threats began yesterday afternoon and are continuing today. He observed that several people with an aggressive and threatening attitude have been congregating in front of the Cuban mission's offices at the United Nations.

He underscored that a Cuban diplomat was violently attacked this morning, receiving extensive injuries.

"The responsibility for the consequences of those aggressive actions will fall on those who do not adopt sufficient and necessary procedures to protect the physical integrity of the Cuban officials and to secure the Cuban Mission offices at the United Nations," Nunez Mosquera stated.

Cuba: Report on UN Security Council Meeting on Incident

PA2602050696 Havana PRENSA LATINA in Spanish 0358 GMT 26 Feb 96

[FBIS Translated Text] United Nations, 25 Feb (PL) — An informal meeting of the Security Council, summoned by the United States to study the issue of the downing of the two pirate planes that violated Cuban airspace, ended without any apparent agreement tonight.

Washington, taking advantage of the fact that it is presiding over this principal UN body this month, summoned the session claiming that Cuban authorities had allegedly violated international law when they decided to protect the sovereignty of their territory.

Council members, including the permanent representatives of Russia, Sergey Lavrov, and Germany, Antonius Eitel, were of the opinion that they still need to obtain more information. They will wait to receive it from the Cuban side tomorrow, because, so far, they only have the report on the events provided by the United States.

Most of the 15 Council members noted the need to receive more complete information and to establish

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consultations with their governments to determine the position they will take.

Some pointed out that the issue should not call for more than a statement to the media by the Council president, and this evidently takes into account that this case does not involve a situation that threatens international peace or security, which is the only time when the Council can take up an issue and decide to adopt other measures.

Despite these opinions and explanations, the U.S. permanent representative, Madeleine Albright, who is presiding over the Council in February, said that she will summon an open session on 26 February to adopt a presidential declaration whose text has not yet been officially issued.

It is paradoxical that during the meeting with the media on the evening of 25 February and immediately after consultations behind closed doors, Mrs. Albright said that on 26 February, after the formal meeting, she will meet with the Cuban ambassador in her capacity as Council president to "listen to the other side of the story," as she put it.

Meanwhile, Silvana Foa, spokesman for the secretary general, said that Butrus Butrus-Ghali is closely monitoring reports from both sides and hopes to make a statement soon, although he noted that it would not be on 25 February.

Cuba: Delegation To Present Version of Incident to UN

PA2602144996 Mexico City NOTIMEX in Spanish 0921 GMT 26 Feb 96

[FBIS Translated Text] United Nations, 26 Feb (NOTIMEX) — A Cuban high—level delegation will today present at the United Nations its own version of an incident in which two U.S. civilian planes were shot down, a diplomatic source has reported.

The source told NOTIMEX that Abelardo Moreno, director of the Cuban Foreign Ministry's Multilateral Affairs Office, will be a member of the delegation and that Cuban Foreign Minister Roberto Robaina's participation was yet to be decided.

While Cuba claims that the two civilian planes shot down on Saturday were flying in Cuban airspace and violating Cuban sovereignty, the United States claims the planes were flying over international airspace.

The incident will be studied by the UN Security Council. After hearing Cuba's version, the draft of a statement against the illegal downing of the planes will be discussed.

At the end of the UN Sunday session, Chilean Ambassador Juan Somavia said: "Shooting down a civilian plane violates international law, whether inside or outside permitted airspace."

The Security Council heard the U.S. version from a CIA official, who based his story on charts and reports from radar sites in the area.

The presidential statement circulated by the U.S. Government seeks to have the shooting down "censured" and called the International Civil Aviation Organization [ICAO] to investigate the incident.

Asked about the difference between this downing and the U.S. downing of an Iranian plane in 1988, when 290 persons were killed, U.S. Ambassador Madeleine Albright was speechless and then said that compensations are being paid.

According to diplomatic sources, Russian Ambassador Sergei Lavrov complained at the Security Council's session — behind closed doors — of the fact that it was the CIA that explained the incident to the Security Council.

The Botswana delegation asked both sides to avoid an escalation of violence and instead settle their differences in a "peaceful and friendly manner."

The UN Security Council intends to meet at 1430 GMT on Monday. The U.S. Ambassador to the United Nations and Security Council president is expected to meet with Cuban Ambassador to the United Nations Bruno Rodriguez.

Cuba: Robaina Cuts Short 3-Day Visit to Denmark

PA2602125096 Paris AFP in Spanish 1008 GMT 26 Feb 96

[FBIS Translated Text] Copenhagen, 26 Feb (AFP) — Cuban Foreign Minister Roberto Robaina on Monday cut short his three-day visit to Denmark and returned to Cuba, his secretary reported to AFP.

Robaina, who departed Copenhagen this morning, was recalled by President Fidel Castro after two U.S. civilian planes were shot down over Cuban territory, according to reliable sources.

Robaina had arrived on Sunday from Finland and was scheduled to stay three days in Denmark, where he was to meet with Danish Foreign Minister Niels Helveg Petersen.

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Cuba: Foreign Ministry Calls Christopher 'Cynical Liar'

PA2602143696 Havana PRENSA LATINA in Spanish 1035 GMT 26 Feb 96

[Slantlines as received]

[FBIS Translated Text] Havana, 26 Feb (PL) — Cuba today warned it will defend its sovereignty against any threat, as it has thoroughly demonstrated, and stressed that it has irrefutable evidence that the United States is lying in its version regarding the downing on two pirate planes yesterday.

PRENSA LATINA hereby publishes the complete text of the second statement from the Cuban Ministry of Foreign Relations regarding the incident:

In a statement issued yesterday in Washington that was picked up by foreign news agencies, U.S. Secretary of State Warren Christopher described as "totally unjustified" the downing of two U.S. "civilian" planes by Cuban aircraft.

According to the U.S. secretary of state, this incident constitutes a "flagrant violation of international law and regulations of a civilized country."

In another part of his statement, Christopher said that based on information available to his country "it was concluded that the attack occurred in international waters" and not in Cuban jurisdictional waters, as the Cuban Government claims.

In that sense, the U.S. diplomat refuted Havana's allegations saying that Cuba's explanations "were neither plausible nor acceptable."

Finally, in a threatening tone, the U.S. secretary of state said that President William Clinton would promptly and appropriately react to the action carried out by our country, noting that "we will not limit our reply to multilateral actions, but are also considering possible unilateral actions from the United States."

The least we can say about the U.S. secretary of state is that he is a cynical liar, using language we have been hearing for more than 36 years from top government officials of the various administrations in that neighboring country.

As an initial argument, we will mention that the fact that U.S. authorities on that same Saturday requested authorization to enter our jurisdictional waters north of Havana to participate along with Cuban authorities in the search and rescue operation in the area where the two pirate planes were downed corroborates that it was a legitimate act of defending our airspace and not as the U.S. diplomat contended when he described it as "totally unjustified."

By the same token, this also confirms our claim that the downing occurred in Cuban and not international airspace and waters as Christopher said.

This, however, is not the main issue, but the fact that those violations, including pirate incursions over our own territory and over the city of Havana have occurred hundreds of times. Therefore, in one way or another, by disregarding those multiple warnings, those actions inevitably led to the incident. Trying to justify this incident now by saying that it occurred in international waters is a colossal impudence. No country that respects itself could have tolerated what was being done against Cuba with actions that were increasingly bold and humiliating. The United States would not have allowed even one.

In a statement to the U.S. television network CNN, Democrat Congressman Charles Rangel, a courageous and honest man, said yesterday that "no U.S. group has a right to violate the Cuban airspace to drop propaganda against the government, violating U.S. and Cuban laws."

The U.S. secretary of state's hasty remarks contradict a statement to Reuter in Washington that same day by an unidentified government spokesman. With regard to a meeting held with President Clinton's advisers at the White House, he said that one of the objectives was to "review as a whole all of the evidence we have" to confirm that the planes had not entered Cuban airspace when they were downed, showing insecurity regarding whether or not this was a violation.

Should the U.S. still have any doubt, we have unequivocal proof, ranging from maps picturing minute by minute the detection by radar of recorded conversations, to objects of the violators of our sovereignty found in Cuban waters north of the capital, where the intruding planes were downed on Saturday, 24 February.

Therefore, the official accusation that we have violated international laws is equally groundless. Instead, the United States, should be the one to face that responsibility for having repeatedly tolerated that U.S. registered aircraft that departed U.S. territory with flight authorization change their routes and flagrantly enter our airspace and territorial waters and return afterward without facing any action by the U.S. justice system.

In addition, if we are talking about knowing violations and provocations, U.S. spokesmen have acknowledged, following the incident, that the Brothers to the Rescue promoters had been sufficiently warned ahead of time that any flight going toward Cuba that crossed the 24th

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parallel could bring problems and the U.S. Government would not be responsible for it. For example, Jorge Dorrbecker, president of the Cuban-American Pilots Association, said yesterday that U.S. Federal Aviation Administration officials had issued new warnings about Cuba three weeks ago, as NOTIMEX reported from Miami.

Dorrbecker added that "all the pilots were warned that the Cuban Government would not be responsible for their personal safety if they crossed the 24th parallel without a flight plan." In the statement by our Foreign Ministry that was published on 25 February, in view of the unauthorized incursions, the Cuban Civil Aviation authorities also issued the alert to transgressors against crossing the aforementioned parallel. This is something that the U.S. official cited today by daily THE MIAMI HERALD, among others, acknowledged.

Now, as Warren Christopher announced, the government of his country is examining the possibility of applying measures against Cuba while at the same time promoting others of a multilateral nature through the UN Security Council.

The United States is free to make the decision or take the measures it deems appropriate, but it must also be aware that they will inevitably have adverse consequences.

As is widely known, our country has given an indication that it acts with calm and firmness in the face of the untold plans and misdeeds, coming from United States, with which it has had to cope for over three years.

Cuba is and always will be responsible for its actions, has proved that it knows how to defend its sovereignty, and is not afraid of threats, such as the ones that could come in the present circumstance, through measures from the UN Security Council.

To end, so as to leave no shadow of a doubt, Mr. Warren Christopher is knowingly lying, we have with us a pilot from that group of transgressors that has conducted so many actions against our country. Until a few hours ago he was with them [estuvo con ellos]. This pilot knows a lot.

There are irrefutable signs that this group was far from conducting humanitarian actions, as Mr. Christopher ridiculously affirmed, and that it constitutes a terrorist mafia that has prepared repulsive and bloody plans against our people.

We are ready to discuss these topics with Mr. Christopher in the UN Security Council or wherever he wishes. Stop the opportunism, cowardice, and attempts to get Cuba mixed up in U.S. electoral politicking.

We are prepared to fight. /Nobody is unaware of that./

[Signed] Foreign Ministry

Cuba: Embassy Spokesman Says 1 Pilot 'Currently in Cuba'

PA2602130196 Paris AFP in Spanish 1238 GMT 26 Feb 96

[FBIS Translated Text] Copenhagen, 26 Feb (AFP) — A spokesman for the Cuban Embassy in Copenhagen has told AFP that one of the pilots of the U.S. planes shot down by the Cuban Air Force "is currently in Cuba." The spokesman refused to give further details.

Cuba: Six More 'Opposition Leaders' Arrested in Havana

PA2502051896 Paris AFP in Spanish 0336 GMT 25 Feb 96

[FBIS Translated Text] Miami, USA, Feb 24 (AFP) — The anti-Castro group Cuban Agenda charged in Miami today that six more Cuban opposition leaders, including Rafael Solano, director of the independent Havana press agency, were arrested in Havana this Saturday.

Solana had already been arrested a week ago (for a few hours) together with three other independent journalists, when the wave of repression against the opposition leaders started. The people arrested are leaders of the opposition group Cuban Council, which comprises 130 small opposition organizations that advocate a peaceful change to democracy.

Besides the six new arrests, Cuban Agenda also reported that four opposition members had been sentenced to house arrest today.

Cuba: Assembly President on U.S. Actions Against Cuba

PA2602001696 Havana Radio Havana Cuba in Spanish 0000 GMT 25 Feb 96

[Report by Estrella Diaz from the "Evening Information Review" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] The main ceremony to mark the 101st anniversary of the beginning of the war of independence, the 40th anniversary of the founding of the revolutionary leadership, and the 20th anniversary of the socialist Constitution was held on 24 February in the main lecture theater of the University of Havana [words indistinct] Ricardo Alarcon, president of the National Assembly of the People's Government, was the keynote speaker.

In a speech that lasted about one hour, the parliament leader commented, among other things, on the actions

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the United States has promoted against Cuba in an attempt to undermine the [words indistinct]. Alarcon added that they are trying to break our unity, sow confusion, and weaken Cuba from within, and this comes in addition to the enormous pressure already created by the intensified blockade and the [words indistinct] attitude the United States has had since 1959 to the present:

[Alarcon] "If we read their propaganda [words indistinct] on this continent a truly democratic society, because the people in it are the ones who make the decisions and participate."

In another part of his improvised speech, Ricardo Alarcon commented on the so-called Track II:

[Alarcon] "It is called Track II because that same law contains a Track I. I am referring to the Torricelli law, which was approved more than three and a half years ago, and with the hypocrisy of speaking about alleged contacts [words indistinct] the text of the law explicitly established the same goals sought by Track I; that is, the destruction of the revolution, the defeat of our political system, and the transformation of Cuba into what it used to be and has stopped being forever—a U.S. colony."

Alarcon commented on the various efforts the U.S. Government has made to prevent U.S. businesses and supposedly independent organizations from approaching Cuba:

[Alarcon] "U.S. institutions, organizations that are independent from their government are establishing or are trying to establish some kind of link with Cuban institutions and individuals. The U.S. system, a true example of [words indistinct] has managed to establish the most rigid measures of control in an attempt to frame each possible action within its destabilizing goals against Cuba."

Cuba: Vice President on Resistance in Face of Blockade

PA2602002396 Havana Radio Havana Cuba in Spanish 1300 GMT 25 Feb 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuban Vice President Carlos Lage has said in Havana that Cuba has demonstrated its potential to overcome the period of resistance and to move ahead. He has said, however, these difficulties and dangers should not be underestimated in view of the fact this country is facing the U.S. blockade.

Lage, who is also the Council of Ministers secretary, spoke at the annual meeting of enterprise directors of the Basic Industry Ministry [Minbas]. Minbas is in charge of producing electricity and oil, refining and distributing fuel, mining nickel, salt, and other noniron minerals, geology, and producing fertilizers, tires, paper, glass, paints, and industrial gases.

In addition, Basic Industry Minister Marcos Portal has said the evidence of recovery during 1995 was reflected by a 6 percent growth rate in electricity production, a 23 percent growth rate in oil production, and a 56 percent growth rate in nickel production. Upon disclosing the projections for the 1996-1998 period, Portal has said the main objectives are cost and quality competitiveness, technology modernization, and consolidating the new corporate organization.

Cuba: Robaina Speech in Mexico on Defense of Revolution

PA2502201896 Havana PRENSA LATINA in Spanish 1909 GMT 25 Feb 96

[FBIS Translated Text] Mexico City, 25 Feb (PL) — In a message addressed to Mexican solidarity groups, Cuban Foreign Relations Minister Roberto Robaina reiterated today his country's determination to defend the revolution "with everything we have, with all our passion and blood, and above all things."

This message, which was sent from Copenhagen, was read at a meeting of friendship and solidarity with Cuba, which gathered some 200 representatives here from nearly 100 Mexican political and social groups that oppose the U.S. blockade against Cuba.

Robaina expressed his appreciation for the actions of support taken by Mexico and Norway. Groups from Norway that befriend Cuba have donated either a computer or a medical instrument for each equipment that was recently confiscated from the ecumenical group Pastors for Peace in the United States and that was donated for the Cuban health system.

Robaina particularly underscored the Mexican movement, which he described as a wide political range composed of groups that show deeply rooted solidarity because of history and tradition, because of strategies to achieve an international balance of power, because of ideological reasons, or because of shame of a crime that is being committed against a fellow Latin American country.

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Haiti

Haiti: CONACOM on 'Nothing Against' Choice of Smarth

PA2302200496 Port-au-Prince Signal FM Radio in Creole 1230 GMT 22 Feb 96

[From the "0730 Appointment Newscast"]

[FBIS Translated Text] The choice of Rosny Smarth as head of the next government is a rational one, according to the National Congress of the Democratic Movements [CONACOM]. The CONACOM leaders say they are ready to support the actions of the next governmental team provided that it respects the ideal of development and democracy that was expressed by President Preval in his inaugural address at the National Palace, according to statements by Dunois Eric Cantave.

[Begin Cantave recording] This choice is quite logical and rational because it falls within the scope of the organization, which is the majority in the Parliament. Thus, I think it is a very good choice. As far as Rosny Smarth the individual, I do not know. He is a decent man who has a good education. We used to have discussions with him (sometimes). So, I have absolutely nothing... [pauses] We absolutely have nothing against this choice. [end recording]

Haiti: Preval, Smarth To Discuss Increasing Production

PA2302200596 Port-au-Prince Signal FM Radio in Creole 1230 GMT 22 Feb 96

[From the "0730 Appointment Newscast"]

[FBIS Translated Excerpt] Today, Preval will meet with Prime Minister-designate Rosny Smarth to discuss how to increase national production. President Preval met with various planters in Artibonite, an area that the Organization for Developing the Artibonite Valley [ODVA] says deserves to be restructured, following four days of discussions. As we said, after four days of work during his visit in the Artibonite Valley, the head of state acknowledged the failure of the main agricultural institutions of the area because according to Preval's statements, the administrative structures and the way ODVA used to operate do not work. Therefore, it is essential that a new boost be given to the ODVA by integrating various peasants, not previously considered, into the board of directors. [words indistinct] solution that has been proposed by President Rene Preval. [passage omitted]

Haiti: UPD Leader Not To Comment on Smarth's Capability

PA2402042396 Port-au-Prince Signal FM Radio in French 1230 GMT 22 Feb 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The Union of Democratic Patriots [UPD], says it has favorably received the designation of Rosny Smarth as the person who is going to lead the Haitian Government. However, the leader of this political party, Rockfeller Guerre, says he will not comment on Smarth's capability to solve the problems faced by the country today. The former presidential candidate says he will observe how the new government works, a government that will be, according to his statements, a Lavalas government. Let us listen to the statements of Rockfeller Guerre.

[Begin Guerre recording] We think that Mr. Rosny Smarth is very well prepared academically, based on what we have heard about his resume. Academically, we believe that he has what is necessary to work with President Preval and to tackle some big issues. Is he the man of the moment? We cannot say that unconditionally, given that we do not know Smarth very well. We do not at all (?have relations with him) in the political field. We are always willing to give our support. We believe that this time we can lend support indirectly by offering advice and suggestions. But, because it is a Lavalas government, and you must not forget that, everybody says it will be a Lavalas and purely Lavalas government. So, I believe the Lavalas movement wants to take its chance at leading the country alone. We all will wait and see how the Lavalas movement leads the country single-handedly. Nevertheless, because we are patriotic, if our services could be... [pauses] if tidbits of advice could help them, we will be more than happy to advise them. We are inclined to believe that our participation will be mainly indirect. [end recording]

Haiti: Smarth Submits Papers to Parliament for Approval

PA2502095496 Port-au-Prince Signal FM Radio in French 1130 GMT 23 Feb 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] New Haitian Prime Minister Rosny Smarth presented his papers at the Legislative Palace on the afternoon of 22 February as part of the process leading to his ratification. In fact, the 46th Legislature is meticulously studying the papers presented by the prime minister-designate, in compliance with Article 159 of the Constitution, before they ratify him. While

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presenting his papers, Rosny Smarth did not rule out the possibility of keeping several ministers of the Werleigh government. The following is a report by Yvener Millien.

[Millien, in Creole] Haitian Prime Minister Rosny Smarth went to present his papers to parliaemnt. With regard to the formation of his government, Smarth said that they are working on it, that they have made good progress, and that they will finish in a few days. The prime minister said that there are ministers of the Werleigh government who will remain in his government.

[Begin recording] [Smarth] It is up to the parliament to decide.

[Unidentified reporter] Have you already thought about the formation of the government?

[Smarth] Yes, we are working on that, and we have made significant progress. I think that we will finish in a few days.

[Reporter] [words indistinct]

[Smarth] We already said it in several statements. Everybody has heard us say what we are going to do.

[Reporter] What are your short-term priorities? what are the short-term priorities of your government?

[Smarth] We have already stated what are priorities will be. When I make the statement of general policy, you will hear the priorities in a clearer manner.

[Reporter] As regards [words indistinct] government, are there members of the outgoing government who will keep their posts?

[Smarth] Probably yes.

[Reporter] How many?

[Smarth] No, I will not tell you how many because it is still being discussed. On the basis of the criteria we had, some members of the former government will most likely remain in their posts. [end recording]

[Millien] For his part, Fritz Robert Saint-Paul said the choice of Rosny Smarth is in keeping with Article 137 of the Constitution, because the prime minister comes from one of the components of the platform. Deputy Saint-Paul went on to say that once all conditions of Article 159 are met, that is, once it is established that all the papers of the prime minister are in order, he will have no problem being ratified at the Haitian parliament.

We are informing you that a commission has already been formed within the Chamber of Deputies to study the file of the prime minister. This commission includes Deputy Alix Germain, Deputy Antoine Axman, Deputy Rhode Tenor Guerrier, Deputy Gabriel Ducatel, and Deputy Dunois Belizaire. Yvener Millien for Signal FM.

Haiti: Attack on 7 Nov 1995 at National Palace Planned

PA2302170796 Port-au-Prince Signal FM Radio in Creole 1230 GMT 22 Feb 96

[From the "0730 Appointment Newscast"]

[FBIS Translated Excerpt] Les Cayes Deputy Gabriel Fortune, who survived the 7 November 1995 attack [during which Deputy Jean-Hubert Feuille was killed] in Canape-Vert, says this attack was planned at the National Palace. Deputy Fortune denounces the investigations-are-ongoing formula which explains, according to him, the situation he is experiencing today. Fortune says that he was never contacted by any justice or police authorities after the attack, yet the opening of an inquiry so the suspects could be apprehended was announced. Anyway, if the investigators do not know where to go, Deputy Fortune points an accusing finger at the Lavalas sector. [passage omitted]

Deputy Fortune hopes that the new head of the Haitian president will take proper measures to restore the authority of the state as he promised and will reshuffle the Lavalas family. [passage omitted]

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Mexico: Guatemalan President, Retinue Arrive For Visit

PA2402203496 Madrid EFE in Spanish 1915 GMT 24 Feb 96

[FBIS Translated Text] Mexico City, 24 Feb (EFE) — Guatemalan President Alvaro Arzu arrived today in Mexico City for a four-day visit and was received at the airport by his Mexican colleague Ernesto Zedillo.

Arzu arrived at 1245 (1845 GMT) on board an airplane supplied by the Mexican Government accompanied by his wife Patricia Escobar and Foreign Relations Minister Patricia Stein, Economy Minister Juan Wurmser, and Energy and Mines Minister Leonel Lopez.

Arzu will meet today in private with Zedillo in Los Pinos presidential palace. Tomorrow Arzu begins the official visit, which will last until Tuesday.

Mexico: Foreign Secretary Gurria Meets Warren Christopher

PA2302155996 Mexico City XEW Television Network in Spanish 0400 GMT 23 Feb 96

[From the "24 Hours" newscast; all speakers identified by caption]

[FBIS Translated Text] [Anchorman Jacobo Zabludovsky] Mexican Foreign Secretary Jose Angel Gurria analyzed the state of Mexican- U.S. relations with White House officials on 22 February in Washington.

[Annette Snyder] The possible decertification of Mexico by the U.S. Government due to what some have described as Mexico's lukewarm attempt to fight drug trafficking has become an even hotter issue in view of the visit of Mexican officials to this capital.

Mexican Foreign Secretary Jose Angel Gurria met with his U.S. counterpart Warren Christopher to discuss various aspects of the relations between the two countries, but the certification issue was the first one to be brought up by reporters. Christopher answered in general terms:

[Begin Christopher, in English with superimposed translation into Spanish read by Snyder, recording] The certification process has been part of U.S. law for the past 10 years. I am obligated to make a recommendation and I must consider a number of factors. We have not yet made a decision with regard to Mexico, but I will weigh the situation and will make a recommendation in due time. [end recording]

[Snyder] Upon leaving Gurria had to be coaxed into saying a few words:

[Begin Gurria recording] We reviewed the state of our bilateral agenda as well as virtually every important topic. [end recording]

[Snyder] Mexico's certification is the focus of debate in Washington, and this debate grew red-hot in this capital at the Center for Strategic Studies located here:

[Begin recording] [Unidentified reporter] Is it not hypocritical of the United States to ask Mexico to do something it is failing to do itself?

[M. Delal Baer, director of Mexican Project of the Center for Strategic Studies] I think that there is great hypocrisy from the two countries, but it is not dishonest hypocrisy. The two countries are puzzled by a problem that neither of them knows how to solve correctly.

[Juan Rebolledo, assistant foreign secretary for bilateral affairs] We are truly not interested in certification or decertification. We are interested in explaining that this could have consequences on our domestic live, on our cooperation, on the efficiency of [word indistinct]. We cannot overlook these consequences.

[Reporter] Will there be certification?

[Deputy Attorney General Rafael Estrada] I do not know. Ask the members of the Clinton administration. I cannot give opinions about this issue.

[Reporter] But what do you think?

[Estrada] I cannot say. [end recording]

[Snyder] Many think that the United States will certify Mexico, but the presence of high-ranking Mexican officials in this capital suggests that a decision is far from being made.

Mexico: Businessmen Negotiate Package With Nafin

PA2402041096 Mexico City EL FINANCIERO in Spanish 21 Feb 96 p 4

[Report by Alicia Salgado and Isabel Becerril]

[FBIS Translated Text] The private sector is negotiating a third package of resources with the National Finance Bank (Nafin) amounting to 15 billion pesos, which will be used starting in March to allocate them to specific sectors or companies to help unbind overall production chains.

The aforementioned statement was made by Hector Larios Santillana and Victor Manuel Diaz Romero, presidents of the Business Coordinating Council (CCE) and the Confederation of Industrial Associations (Concamin), respectively, as they warned that the country's

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business community will exert pressure to have government spending trickle down immediately and to jump start the economic recovery.

Meanwhile, it was leaked that the Nafin Administration Council on 23 February will issue its definite approval of the special and credit discount program for risk capital [programa de descuento crediticio y extraordinario de capital de riesgo], which was already agreed on with the Mexican Association of Bankers (ABM). Through it, the funneling of credit to the production sector will be activated.

The program exceeds Nafin's 35 billion pesos (it will funnel directly another 3.9 billion and maintain its risk capital program through Sincas [expansion unknown] and commercial banks are expected to use at least one third of the 270 billion pesos of the surplus credit they registered in 1995, since the real increase in the financing of the private banking system is estimated at a real 16 percent for 1996.

In addition, Nafin and commercial banks have agreed to expand from five to 23 the manufacturing areas to be granted priority attention with regard to loans because of their multiplying effect, greater relation with domestic suppliers, and impact on employment, and in view of their direct and indirect export potential.

These are the industries that produce hide, shoe wear, textiles, toys, meat, dairy products, food preserves, beverages, sugar, soft fibers, clothes, basic chemical substances, artificial or synthetic fibers, bakery products, cocoa, chocolate, candy, mineral coal and oil by-products, as well as cereal mills and processing plants, basic nonferrous metal factories, plants that manufacture or assemble machinery and electronic equipment, domestic appliances and accessories factories, and the automobile and automobile spare parts industry.

For the special risk capital program that will be exclusively implemented in 1995 [as published], Nafin will make available 5 billion pesos at first, a sum that may be doubled depending on the progress and requirements of said program, according to banking and Nafin sources. Since the commitment is for commercial banks to participate on an equal basis, these institutions are expected to contribute at the start an equal or greater amount, so that said program could reach up to 20 billion pesos.

Nafin is committed to take on up to 25 percent of the risk documented in capital stock and taken under equal conditions with banks and or 65 million for every production plant, whatever comes first. At the beginning, from 500 to 600 companies are expected to receive this aid. It is also expected that their recovery extends to their suppliers, and that their activity has an impact on domestic demand and employment.

With regard to Nafin's loan discount program for 30.922 billion pesos (19.232 billion of which will be funneled through Nafin's regional branches), AMB members were informed last Monday about the guidelines of the loan policy. AMB sources revealed, however, that the program "is not sufficiently developed yet to be implemented, considering that operation mechanisms need to be agreed on."

The decisions made to raise efficiency and motivate the discount of Nafin resources include the implementation of a 50 percent automatic guarantee to loans for micro and small businesses. It includes the streamlining of procedures to document the discounts through an on-line calculation and transmission system between Nafin and banks, and the liberalization of commercial banks's brokerage margins based on Nafin rates.

The establishment of bottom discount lines with each bank, which would vary based on the demand and financial relation that is established to guarantee said financial discount, is also being analyzed, and an agreement is still pending on this point.

Businessmen Call For Making Public Expenditures Effective

In addition, CCE delegates said that, because government expenditures have not yet been made effective, the economy experienced a "stop and go" effect in January, causing the January slope to be steeper than expected.

The delegates warned that the society is approaching the exhaustion limit and that no effective results are being observed in the economy because the government expenditures are not being made effective as pledged in the Alliance for Economic Recovery.

Regarding the higher unemployment in January, the delegates said this could have been caused by the organized commerce employing a large number of people in November and December and then dismissing these people at the end of this period of time.

During an interview, Larios Santillan said he hopes the local market will be reactivated as soon as possible after the 27 billion pesos of investment committed by various agents have been disbursed. He said that in a few days Mexican businessmen will announce their new proposals to make the economic reactivation a reality and that he hopes this stability will not be altered by political factors.

In addition, Victor Manuel Diaz Romero said that businessmen are negotiating a third package with Nafin

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to help reactivate the manufacturing plant system. He also pointed out that the resources will be channeled solely and exclusively to feasible enterprises.

Diaz Romero said this program will apply to all sectors, but in particular to the construction and manufacturing industries, and that businessmen will be very careful and selective in the application of these credits.

Furthermore, speaking of the observed employment increase, according to INEGI [National Institute of Statistics, Geography, and Information Science], the Concamin [Confederation of Industrial Associations] leader said this increase was not provoked by the closing of enterprises, because this closing occurred all throughout 1995, and that the number of closed industries was estimated at 15,000.

At this time, he explained, what can be said is that "many" enterprises, this is to say, a very high percent, are experiencing survival problems.

Mexico: Zedillo, Cardoso To Form 'Strategic Alliance'

PA2502013696 Mexico City NOTIMEX in Spanish 0204 GMT 21 Feb 96

[FBIS Translated Text] Mexico City, 20 Feb (NOTIMEX) — It was learned here today that Mexican President Ernesto Zedillo and Brazilian President Fernando Henrique Cardoso agreed to form a bilateral strategic alliance based on dialogue and political consensus.

According to a joint communique, there is "an enormous potential to broaden and strengthen the bilateral relations, based on a new political will to establish closer ties that will contribute not only to the development of the two countries, but also to the development of the entire Latin American region." The document signed by the two presidents indicated that the strategic alliance will be fueled by dialogue and political consensus to strengthen bilateral ties and articulate positions regarding relevant regional topics.

In the communique, the process of negotiations between Mexico and the Common Market of the South (Mercosur) was stressed. This process is aimed at coordinating a broad agreement that will allow the countries to create better conditions for economic integration.

Mexican Presidency Spokesman Carlos Almada told President Zedillo and President Cardoso that the communique emphasizes the decision by the two governments to hold periodic political consultations among high-level officials from the two Foreign Ministries.

With this purpose, they stated the need to conclude, no later than 31 December, the negotiation of the historic patrimony of the bilateral agreements signed within the framework of the Aladi (Latin American Integration Association).

According to the communique, President Cardoso exchanged views with his Mexican counterpart on the Summit of the Americas, and together, they reiterated their support for establishing a free trade zone on the continent.

Almada said that the presidents gave instructions to their foreign ministers to coordinate actions to hold a meeting of the mechanism of consultation as soon as possible at the level of deputy ministers and to consider the opportunity of setting in motion the work of the Mexico-Brazil 21st Century Commission.

In addition, the two presidents deemed it necessary to bring about a greater unity, effectiveness, and efficiency in the international financial institutions.

They also agreed to promote the orderly development of the markets and to ensure a greater availability of resources by the multilateral financial institutions, all of this in light of the volatile nature of the flow of capital.

Regarding the fight against drug trafficking, they reiterated the need for more effective international cooperation against money laundering and the consumption, production, and trafficking of drugs.

At the same time, they agreed to continue the fight against criminal organizations that distribute weapons and precursor chemicals, as well as other related crimes.

They stressed their support for holding a world conference on drug trafficking in 1998 and emphasized the significance of discussing an integral approach to the drug problem at that meeting.

Previously, they had stated their governments' commitment to revitalize cooperation in all aspects of the educational and cultural fields. Thus, they gave instructions to their respective foreign ministries to move forward in the negotiation and adoption of a 1996-1998 program of educational and cultural cooperation between Mexico and Brazil.

Following the signing of the joint communique, President Cardoso, his wife Ruth, and his retinue concluded their official three-day visit to Mexico.

According to the official program, the South American leader will leave for the international airport in Mexico City at 0500 on Wednesday morning (1100 GMT) to return to Brasilia.

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Mexico: Zedillo Proposes Alliance With Labor Unions

PA2502080096 Mexico City NOTIMEX in Spanish 2056 GMT 20 Feb 96

[FBIS Translated Text] Mexico City, 20 Feb (NOTIMEX)— President Ernesto Zedillo today said that the government's priority is to protect and promote employment without neglecting the struggle against inflation and protection of the productive sector.

Zedillo presided over the 30th Labor Congress [CT] anniversary. He said: "In 1996, the gradual growth of the economy will begin, and we will clearly see the results of what we are doing" together with all the productive sectors of the country.

Zedillo underscored the fact that the workers, their unions, and the CT will play an important role in this critical process of recovery in the upcoming months.

"A strengthened alliance, disposition, and joint efforts will allow us to begin a new stage of achievements to benefit the workers, unions, and Mexico," Zedillo noted.

The labor unions' decisive participation allowed Mexicans to mend the causes of the crisis that began at the end of 1994, Zedillo said.

However, "strict seasonal factors, as well as the effects of the increase in the interest rates and the exchange rate during the last trimester of 1995 led to a halt in the decrease in the unemployment rate in January," Zedillo added.

He believes that the implementation of the 1996 Economic Program, which established the annual inflation rate at 20.5 percent, a drop in the interest rate, and a growth of at least 3 percent, will rapidly promote employment recovery.

Zedillo stressed that an alliance with the workers will be fundamental for the growth and creation of employment, as well as to promote more efficiency and productivity.

"Today, when Mexicans are getting ready to embrace the 21st century with a country that is stronger, more just, and with equal opportunities for all, is the moment to reaffirm the unbreakable alliance between the government and labor unions," Zedillo said.

The CT, which was created in 1946, is the main union assembling the 37 most important organizations, including the Confederation of Mexican Workers (CTM), which has five million members.

Zedillo said before CT leader Rafael Rivapalcio that the alliance with the workers will be fundamental in achieving a greater degree of equality in the development and recovery of the purchasing power of the workers.

Zedillo underscored that a priority should be to halt the inflationary process that mainly hurts the working class.

Zedillo added that now, as Mexico is actively participating in world economic trends, is the moment for us to establish together the immediate goals of our development.

Mexico: Defense Secretary Reaffirms Army's Loyalty

PA2502081896 Mexico City LA JORNADA in Spanish 20 Feb 96 p 3

[Report by Jesus Aranda]

[FBIS Translated Text] Defense Secretary General Enrique Cervantes Aguirre has stressed that "the Army will not make the situation more difficult nor will it be a factor of disintegration or mistrust." He maintained that the Army is an institution that follows with respect the mature and pluralistic process of democracy as a synonym of true justice or a factor of collective equity.

Cervantes Aguirre spoke to President Zedillo, the cabinet, and the commanders of the Armed Forces during the ceremony to commemorate Army Day. There, he reiterated the Army's loyalty to the country's institutions and stressed that the nation already chose, "many years ago," the path of legality to move on "toward justice, harmony, and an active and libertarian peace."

Regarding the position that will be assumed by the Armed Forces, Cervantes Aguirre noted in his speech: "The fulfillment of our military duties will always be serious and measured."

To this effect, Cervantes Aguirre said that "everything can be changed" in the country provided that society decides it in a politically organized manner. He added: "The people's sovereignty prevails domestically, national sovereignty prevails abroad." The Army is the armed force of that mandate, a mandate that is permanent, inalienable, and lasting."

In an austere ceremony held at the installations of the 2d Brigade of Independent Infantry, in Military Camp No. 1, the defense minister said that throughout the country's history "not all of the armies have been equal; they have been shaped and driven by the times," but they have always maintained a fundamental commitment to legality.

However, he clarified that "above all of the training, professionalism, loyalty, discretion, and resoluteness" that characterize the Armed Forces, a "great trust" by the people, an "absolute trust" by the supreme commander, and an "invariable coordination and cooperation" with the other institutions of the republic are required.

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Regarding possibilities for change, Cervantes Aguirre emphasized that the Mexican society has reached "the point it wanted to reach," the reason why it organizes politically, chooses its representatives, separates government branches, and creates the political parties as public service institutions, in addition to creating control mechanisms for the government and each individual.

Later, he spoke extensively about a new correlation of methods, forces, opinions, and proportions to which the Armed Forces "will gradually adapt as an institution without neglecting their basic duty and without losing the trust of their leaders and of society." Within this framework, the Armed Forces will "synchronize" military professionalism, modernization, and a broad humanism, which are challenges the Army must face in keeping with the law.

Cervantes Aguirre also used this opportunity to recall the circumstances in which the Mexican Army was created on 19 February 1913, based on the Plan of Guadalupe and the decrees issued by Venusiano Carranza, who promulgated the organization of an army responsible for upholding the constitutional order of the Republic.

Thus, following the victory of the revolution and the signing of the Constitution on 5 February 1917, the foundations were finally laid for the creation of the current Mexican Army, stated the head of the Defense Ministry.

"The Army, the Air Forces, and the Navy of Mexico are and will be, as the entire society wants them to be, the armed force of the judicial system of the nation it has forged," the military leader remarked.

He added that from the Army that emerged in 1913 to our current Army, the collective slogan remains unchanged: "Loyalty and efficiency, strict compliance with the law, and social roots."

These are the principles that guide military careers in conducting the uninterrupted surveillance of strategic points, at the borders and in our airspace; in assisting the population during emergencies; in protecting our natural resources; in fighting drug trafficking; and in helping to guarantee domestic security and the prevalence of the state of law, Cervantes Aguirre explained.

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El Salvador

El Salvador: Agenda of Christopher's Upcoming Visit

PA2302231296 Mexico City NOTIMEX in Spanish 0114 GMT 23 Feb 96

[FBIS Translated Text] San Salvador, 22 Feb (NOTIMEX) — U.S. Secretary of State Warren Christopher will be briefed on the progress of the programs instituted in the 1992 Peace Accords during his visit to El Salvador, it was reported today.

Salvadoran Government spokesmen said that Christopher will be informed of the progress on the nation's pacification and democratization, as well as of the implementation of agreements signed between the government and the former FMLN [Farabundo Marti National Liberation Front] guerrillas.

Coming from Haiti, the U.S. senior official will arrive on Sunday at the Comalapa Military Base, 45 kms south of San Salvador, for a three-day visit.

Four years after the signing of the Chapultepec Accords, FMLN leaders charged that commitments, such as land transfers to former fighters, constitutional amendments, and citizen safety, remain unfulfilled.

The last or fifth rescheduling agreed on by the FMLN, the United Nations, and the government to comply with the Peace Accords expires on 30 April and, according to the government stance, the accords could be completed on that date. Christopher will have a tight work agenda that includes a luncheon with the Central American presidents on Monday. The sole exception will be Guatemalan President Alvaro Arzu who will be on a state visit to Mexico from 25 to 27 February. A cooperation agreement between the United States and Central America is expected to be signed on this occasion.

Sources stated that Christopher will deliver a $10 million grant to President Armando Calderon Sol, to be spent on modernizing the state, although further details were not available.

Government spokesmen stated that during the meeting between Calderon Sol and Christopher the topic of the undocumented Central American immigrants in the United States will be discussed.

On Monday afternoon, the secretary of state will attend a solemn session of the Legislative Assembly and will meet afterward with Supreme Court President Jose Domingo Mendez. On Tuesday morning he will visit the Salvadoran Foundation for Economic and Social Development (Fundases), where he will comment on some aspects of economic, commercial, and productive activities. Christopher will fly to Santiago de Chile on Tuesday on that portion of his Latin American visit, which will also take him to Argentina, Brazil, and Trinidad and Tobago.

El Salvador: Christopher Arrives, Discusses Cuban Issue

PA2602043196 Panama City ACAN in Spanish 0146 GMT 26 Feb 96

[FBIS Translated Text] San Salvador, 25 Feb (ACAN-EFE) — U.S. Secretary of State Warren Christopher started his tour of several Latin America countries, arriving in El Salvador tonight. Christopher will meet with Central American presidents in San Salvador tomorrow. Warren Christopher's plane landed at the military base of the El Salvador International Airport in Comalapa at 1853 (0053 GMT on Monday). He was received by Salvadoran Foreign Minister Ramon Gonzalez Giner.

The U.S. official made no press statements. However, the Salvadoran foreign minister said one of the issues Christopher could discuss during the meeting with the Central American presidents is the downing of the two U.S. light planes by Cuban MiGs. Nevertheless, Gonzalez insisted that the situations in Cuba and in the Central American countries "are different" because "the latter is a region of peace and democracy."

Asked if El Salvador would back a U.S. action to penalize Cuba, Gonzalez answered: "We have always backed U.S. actions to penalize Cuba," recalling that his country does not have commercial or diplomatic relations with Havana and, thus, "we have nothing to break."

Gonzalez said the meeting between Christopher and the Isthmian leaders has "an open" agenda but that issues such as commercial relations, the problem of undocumented migrants, and security will be included.

Today, official sources reported a $10-million amendment to the Aid Donation Agreement, which Christopher and Gonzalez Giner will sign tomorrow. Half of it will be used in the Land Transfer Program for former Armed Forces and guerrilla combatants. Also, $5 million will be donated to programs that will assist small companies, provide technical agricultural assistance, and grant credits to demobilized personnel.

Those programs are included in the peace agreements signed between the government and the Farabundo Marti National Liberation Front — a former guerrilla movement that is now a political party — but have suffered delays mainly because of the lack of economic resources.

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According to diplomatic sources, Christopher will urge compliance with all the points of the peace agreements. The compliance deadline ends on 30 April, which is also the date that the mandate given to the UN Mission in El Salvador (Minusal) concludes.

Gonzalez Giner emphasized that El Salvador "decided to make peace and is now an example for the world. The United States has backed this process."

The initial aid agreement was signed between the United States and El Salvador on 6 May 1992. It assigned $164 million to such programs, and already $123 million have been disbursed.

The funds were used to further the demobilization process, provide assistance to former combatants, promote the economy in the municipalities most affected by the past war, provide for transfer to lands, and improve rural roads.

With the amendment, the U.S. donation will amount to $174 million.

El Salvador: FMLN To Urge U.S. Ties With Central America

PA2402043996 Mexico City NOTIMEX in Spanish 0131 GMT 24 Feb 96

[FBIS Translated Text] San Salvador, 23 Feb (NOTIMEX) — The former guerrilla Farabundo Marti National Liberation Front (FMLN) announced today that it will ask U.S. Secretary of State Warren Christopher to strengthen the ties of cooperation with Central America.

"This is a rather decisive moment. We will ask (Christopher) to strengthen the ties of cooperation between the United States and El Salvador, and the region in general," said FMLN Political Commission member Miguel Saenz.

He said that it is also important to know how Washington views the Central American integration process, "because the United States has historically played a very intense role in the internal affairs of our countries."

He said, however, that his request is based on "respect for national sovereignty," and noted that the visit by the U.S. responds to the Washington's interest to review its policy toward the region and Latin America in general.

Orlando Quinteros, head of the FMLN assembly bloc, said the FMLN will also ask Christopher to resolve the problem of Salvadoran illegal immigrants in that country, "but taking the human factor very much into consideration."

In addition, the former guerrillas plan to request the U.S. official to "consider" the family remittances that Salvadorans send every year to this country, which according to official sources exceeds $900 million. "That (the remittances) helps the economic stability of the country," Quinteros stressed.

Government sources affirmed that 150,000 undocumented Salvadorans registered under protection programs, and that another 350,000 who did not, run the risk of being deported starting in May.

Studies by the Jesuit-run Central American University (UCA) revealed that over 1 million Salvadorans left the country during the past decade because of the armed conflict (1980-1992) and the economic crisis that it generated.

Christopher will arrive Sunday night in San Salvador from Washington, and on Monday he will meet with the Central American presidents, except for the presidents of Guatemala and Panama, a government source said on Friday.

The senior official will arrive in El Salvador accompanied by Harriet Coons Babbit, U.S. permanent representative to the OAS, and Thomas McClarty III, adviser to U.S. President William Clinton, among others.

Christopher, who already visited Haiti, will fly after this visit to El Salvador, Chile, Argentina, and Brazil.

Guatemala

Guatemala: Nation To Agree to Position on Summit

PA2402042196 Mexico City NOTIMEX in Spanish 0118 GMT 24 Feb 96

[FBIS Translated Text] Guatemala, 23 Feb (NOTIMEX) — Guatemalan Foreign Ministry sources asserted today, that Guatemala will form part of the joint position that Central America will present at the meeting with U.S. Secretary of State Warren Christopher at El Salvador this weekend.

The regional position gives priority to economic, commercial, immigration, and security issues as the countries in the area have a particular interest in them, the sources added.

Guatemalan Foreign Minister Eduardo Stein said at the meeting with Christopher, Central America will underscore the region's interest in promoting commercial negotiations with Mexico and the ones it has started with Canada.

He recalled that the Central American governments requested Mexico's support to enter the NAFTA on a parity basis at the Tuxtla Gutierrez II meeting, which was held in Costa Rica last week.

Stein reported that the Guatemalan Government appointed today, Government Minister Rodolfo Mendoza

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to attend the meeting in El Salvador from next Sunday to Tuesday.

The foreign minister said President Alvaro Arzu had decided to appoint the government (interior) minister as his representative to the meeting with the U.S. secretary of state.

President Arzu will not attend the meeting in San Salvador because he has to make an official visit to Mexico, which is scheduled to start tomorrow, Saturday and end on 27 February.

Stein said the decision is based on the fact that the meeting in San Salvador will be centered on issues related to security in the region and immigration policies, which are in the sphere of the interior ministry, as well as economic and commercial ones.

Furthermore, he stated, after the foreign minister, who will accompany President Arzu in his official visit to Mexico, the government minister is the one who has to attend high level meetings such as the one that will take place in San Salvador.

Deputy Foreign Minister Gabriel Aguilera Peralta told reporters that immigration and economic issues "are always present in the agenda of the relations between the United States and Central America."

Guatemala sees the regional talks with U.S. Secretary Christopher auspiciously because it gives us a chance to discuss issues that interest Central America, the deputy foreign minister stated.

The U.S. Secretary of State will spend the weekend in San Salvador as part of a tour to Latin America and the Caribbean. The U.S. official expects to discuss with regional governments issues related to the Summit of the Americas that was held in December 1994.

In his Latin American tour, Christopher will broach issues such as the consolidation of democracy, security, illegal immigration, struggle against drug trafficking, environmental protection, and policies to combat poverty.

Guatemala: Agreement Reached With 'Surprising Cordiality'

PA2402153196 Mexico City NOTIMEX in Spanish 0636 GMT 24 Feb 96

[FBIS Translated Text] Mexico City, 24 Feb (NOTIMEX) — The Guatemalan Government headed by Alvaro Arzu and the Guatemalan National Revolutionary Unity (URNG) announced in this capital their intention to reach a definitive peace agreement as soon as possible.

"The parties expressed their resolve to reach a firm and lasting peace agreement as soon as possible and they expressed their intention that in each round of negotiations a definite headway take place," stated a joint communique released yesterday.

The agreement, which follows a series of secret meetings held over the past few months, yielded results last night after two days of open negotiations in the Mexican capital, which took place in an atmosphere of surprising cordiality.

The pledge for a fulfilled peace dialogue opens great expectations over the signing of an agreement to end Guatemala's domestic conflict that has claimed more than 175,000 lives over the past 35 years.

Representatives of the new Guatemalan administration and the URNG met in a hotel in the capital's south. At the end of the deliberations they promised to complete an agreement over the most recent points of negotiation.

The delicate topic of "socioeconomic aspects and the agrarian situation" had remained pending since December when the dialogue between the government and the guerrillas was interrupted due to the change of government in Guatemala.

Both parties decided on Friday to hold a new round of negotiations on this topic during the last 10 days in March, for which they requested UN mediator Jean Arnault, a Frenchman, to make the corresponding consultations.

According to the joint communique, negotiations in the Mexican capital took place "in an atmosphere of trust based on the common perception that the time and conditions are favorable for attaining peace."

As part of the commitment to reach a definitive peace agreement, the Guatemalan Government and the guerrillas ratified in this capital the framework agreement signed on 10 January 1994, and agreed to leave unchanged the negotiation agenda.

To this avail they considered that the Alvaro Arzu administration's recognition of the promises contained in the agreements signed to date "satisfy a basic condition in the peace construction process."

Both parties praised the contribution of Guatemalan civilian society to the negotiation process and expressed their recognition to the international community, especially the "Group of Friendly Countries" (the United States, Norway, Mexico, Spain, Venezuela, and Colombia).

They also recognized the positive changes boosted by the Arzu administration to reinforce the legal state, "which favors peace expectations," says the communique.

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Likewise, both parties highlighted that "thanks to the negotiation process, past elections (Guatemala's) were characterized by a broad participation of sectors, which was helped by the URNG's call to vote."

"This has made it possible for new political forces to be represented in the National Congress, with the resulting strengthening of parliamentary representability and legitimacy," the document underscored.

The official Guatemalan Government delegation was headed by President Arzu's private secretary Gustavo Porras, former finance ministers Raquel Zavala and Richard Aitkenhead, and Inspector General of the Army General Otto Perez Molina.

The URNG delegation comprised guerrilla commanders Pedro Monsanto, Gaspar Ilom, Rolando Moran, and Carlos Gonzalez, together with other members of the URNG Political-Diplomatic Commission.

The current peace process began in Mexico in 1991 and to this date eight agreements have been signed to do with human rights, dispersed townships, Indian rights, and the commission that will investigate violations committed during the conflict.

In addition to agrarian and socioeconomic aspects that will be dealt with in the last days in March, substantial aspects still pending negotiation are the Army's role in a democratic society and the integration of the URNG into society.

Honduras

Honduras: Reina on Drug Issues, Meeting U.S. Official

PA2302180096 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 23 Feb 96

[From "The Morning Paper" newscast; passages within quotation marks recorded]

[FBIS Translated Text] President Carlos Reina has demanded that CODEH [Honduran Human Rights Committee] President Ramon Custodio present evidence supporting his accusations on forced executions and the drug-trafficking infiltration in political campaigns, because if he fails to do so, he will be displaying a fanatical and dishonest attitude. Jose Danilo Izaguirre reports:

[Izaguirre] President Reina was present yesterday in what has been dubbed the fight against poverty in Honduras. This is what he said on this issue:

[Reina] "It has been an academic act in which the United Nations follows the noble path of fighting against poverty. As you already heard, if the international law that formed this noble international organization does not make efforts to eradicate poverty from the world, all other efforts will be worthless. The desire, in other words, the major aspiration, the major objective is peace, and peace is based on peace of mind and people's struggle to end starvation."

[Izaguirre] President Reina today will trav[illegible] the city of Santa Barbara, located in the namesake [illegible]artment, where, along with his Council of Ministers, he [illegible]ill make certain explanations and will give Santa Barbara the opportunity of becoming the country's political capital for a day.

[Reina] "We will be in Santa Barbara as part of the effort to visit each department to listen to all its petitions, its demands, and its aspirations to make them a reality in this third year of my government. The government cabinet will be there tomorrow, and, with a special program, we will combat the backwardness to which countryside towns have been condemned. It is our wish; we can do it, and we will do it."

[Izaguirre] "Mr. President CODEH representative Custodio said drug trafficking has financed political parties in Honduras. You belong to a political party, and you became president as member of the Liberal Party. Is what Custodio said true? How does it adversely affect the Hondurans' image?"

[Reina] "That is a continental evil. However, I do not believe it is happening in Honduras. I believe we all must remain alert to prevent this century's vice from taking roots in Honduras. There are drug consumers; however, the serious thing is when the drug business distorts social, political, or cultural events."

[Izaguirre] "Expanding a little bit more, Custodio also said that your government, Mr. President, is carrying out permanent illegal executions and that they only mar our country's image abroad?"

[Reina] "I have been a friend of Custodio's for more than 30 years, and I regret the fact that he became a fanatic, because he is harming Honduras with it. He does not describe these violent deaths as more than illegal executions. If he presents evidence that they indeed are illegal executions, the judicial branch will gladly proceed to clarify these crimes. However, attributing any death to a government that is courageously fighting, as much as or more than he is fighting, to make human rights be respected is an injustice. Resorting to fanaticism is to neglect honest positions. I have admired the courage he has shown many times; however, I do not like for someone who calls himself a friend to judge a government for incidents that we all regret and that we all condemn. Saying that there are death squads is being fanatical. I believe that there are irregularities and

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that together we will fight them, not by discrediting governments that are making big efforts — everybody is aware of this — to have this country live according to the law."

[Izaguirre] "On 25 February, you will meet with the U.S. Secretary of State in San Salvador, Mr. President. What are the significant aspects of this meeting?

[Reina] "I am deeply honored to meet with the U.S. Secretary of State on 25 February in San Salvador. It seems that the other presidents will attend the meeting too. We are looking at this possibility. However, our position calls for parity with NAFTA, a free trade area, the consumption of our products, and a better cooperation with Mexico and the countries that make up NAFTA to ensure Central America will have unconditional access to markets for us to be able to compete. All these demands — namely, the fight against violence, drugs, and illegal aliens — will be broached in this San Salvador meeting, which is simply a working luncheon."

[Izaguirre] "Mr. President, there is talk about forgiving and refinancing the foreign debt. Is there any debt forgiveness, Mr. President?"

[Reina] "There are many aspects to this issue. The German ambassador has stressed that there is debt forgiveness. The Paris Club is being enormously sympathetic toward Honduras. I just came out of a meeting with all the ambassadors of the G-7 countries, which are the richest countries, and Honduras will be granted the best conditions. I hope that we will receive very good news from the meeting that will be held on 29 February and 1 March in the City of Light."

[Izaguirre] "What opinion do you have on the BJ [Billy Joya, military officer charged with human rights violations] report on those who disappeared in the 1980's, Mr. President?"

[Reina] "Well, we have to compare it with the other report the Human Right Commissioner drafted. This is how we will find the truth, with pieces of regrettable and lamentable events. We do not want them to ever happen again."

Nicaragua

Nicaragua: Chamorro Not To Attend Summit, Sends VP

PA2502013596 Mexico City NOTIMEX in Spanish 2026 GMT 24 Feb 96

[FBIS Translated Text] Managua, 24 Feb (NOTIMEX) — Nicaraguan President Violeta Chamorro declined to attend U.S. Secretary of State Warren Christopher's meeting with the Central American presidents in El Salvador next Monday, it was reported today.

Chamorro designated Vice President Julia Mena to represent her. Mena heads the delegation, which also includes Foreign Minister Ernesto Leal and Economy and Development Minister Pablo Pereira.

The government announced that at this meeting, it will insist that a law be passed in the United States to balance the benefits stemming from the Caribbean Basin Initiative and the North American Free Trade Agreement [NAFTA] for Central American products.

"This is a vital point for Central America," because the implementation of the trilateral agreement produces "a shift in commerce and investment that is negative" for the Central American countries, she added.

She announced that Nicaragua will also propose compensatory measures to improve the access of their products to the U.S. market but gave no further details.

Furthermore, the regional presidents will request U.S. support for programs to combat crime.

Since 1993, the Central American presidents have been asking that the region be granted "parity" with regard to NAFTA benefits. The NAFTA treaty was signed between the United States, Canada, and Mexico.

Panama

Panama: President, Minister Deny Laila Extradition

PA2402160596 Panama City EL PANAMA AMERICA in Spanish 24 Feb 96 p A1

[By Juan Manuel Diaz C.]

[FBIS Translated Text] President Ernesto Perez Balladares and Foreign Minister Gabriel Lewis Galindo denied the extradition of Alberto Laila yesterday. They decided that Laila will be tried in Panama for money laundering.

Through a resolution, the Executive Branch told the United States that Laila's extradition is inadmissible because he is a Panamanian national.

John Martin, judge of the New York District Court, had requested Laila's extradition based on a case opened in 1992 that also involves Israel Mordok, who was deported from Panama.

EL PANAMA AMERICA managed to obtain a portion of Israel Mordok's declaration. He confessed that Laila had "full knowledge" of the illegal origin of the money that the two obtained from their companies in the Colon Free Zone.

The file prepared by U.S. authorities indicates that Laila and Mordok transported millions in checks and cash

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from New York to the Colon Free Zone and from Panama to Cali.

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Argentina

Argentina: Menem Hails Adminstrative Reform Act

PY2302154596 Buenos Aires TELAM in Spanish 1901 GMT 22 Feb 96

[FBIS Translated Text] Buenos Aires, 22 Feb (TELAM) — President Carlos Menem stated today that the enactment of the State Administrative Reform Act will make possible realization of strides in curbing government spending. The head of state added that civil servants who are made redundant following the state reform will be trained so that they can perform other duties.

During an interview with Radio Municipal, the president said: "This law will enable us to make progress in slashing government spending through an administrative reform, without causing damage to anybody or worrying civil servants."

Menem pointed out that this law will make it possible to adopt "several measures geared to merging some state agencies whose functions overlap."

The Senate enacted the Administrative Reform Act, which empowers the executive branch to reorganize state agencies, early this morning.

The head of state noted that "those who become redundant will be trained for other tasks by the agencies that are working in this area."

"Nobody will be detrimentally affected by this law, since only a few civil servants will find themselves redundant and, moreover, they will receive severance pay," he asserted.

The chief executive argued that redundant civil servants "will be able to hold other positions once they acquire the skills the state will impart to them in order to train them for discharging other duties."

Menem underscored that the newly enacted law "is an ambitious reform that is in keeping with the major change we set in motion in 1989."

In reply to a question about discretionary funds allotted to ministers, secretaries, and under secretaries and about the disclosure of Economy Minister Domingo Cavallo's income tax return, Menem said: "In the past, nobody knew the final destination of those funds. This administration, however, has thrown this issue open to everybody. Discretionary funds are discussed and approved by Congress in due manner" in the budget.

The president went on to say: "There is nothing secret here. The only thing that should have been kept secret was Minister Cavallo's tax return."

"The only crime that was committed in this whole affair was the disclosure of the minister's tax return. Still, I would like to reiterate that at present anyone can learn about the use of discretionary funds and all those expenditures that in the past were strictly confidential," he added.

Menem also answered a question put to him by Radio America. He said that Cavallo "denied press reports" contending that he had charged businessman Alfredo Yabran with attempted murder.

The president flatly denied that these incidents could damage Argentina's image abroad and stated that our country "continues to grow and project an image of itself as one of the most progressive countries on earth."

The head of state stressed that "things are moving ahead steadily. The stock exchange has rallied despite this type of situation and those remarks."

Argentina: 'Salient Points' of Administrative Reform Act

PY2302153396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0105 GMT 22 Feb 96

[FBIS Translated Text] Buenos Aires, 21 Feb (NA) — The following are the salient points of the Administrative Reform Bill that the Senate was about to approve this evening:

— The Congress delegates powers to the executive branch so that the latter may centralize, merge, or do away with state agencies established by law.

— The extraordinary powers devolved upon the executive will be in force until 31 December 1996.

— The law establishes a Labor Retraining Fund to train civil servants to be made redundant through the reform.

— The Labor Retraining Fund will be financed with the proceeds from the sale of public assets and indebtedness.

— Civil servants who become redundant will continue collecting their wages for a year, after which they will receive severance pay according to their seniority.

— This law is applicable to the Armed Forces and the Police.

— The chief of cabinet will be in charge of enforcing the law.

— The decrees issued [by the executive] in the exercise of the powers delegated to it by Congress will be analyzed by a standing joint committee, which has not yet been established.

— Adjustment measures will be subject to prior Congressional control.

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— The executive branch is required to submit quarterly progress reports on the current budget.

— The executive branch is required to submit a report on full budgeting for the following fiscal year by 30 June of each year.

— Every law authorizing government expenditures is required to include the means of financing said expenditures.

— Government officials' property is liable to use as payment for expenditures such officials authorize without fulfilling the necessary legal requirements.

Argentina: Cavallo 'Unexpectedly' Departs for France

PY2302162996 Buenos Aires TELAM in Spanish 2021 GMT 22 Feb 96

[FBIS Translated Text] Buenos Aires, 22 Feb (TELAM) — Economy Minister Domingo Cavallo has unexpectedly departed for France, where he will hold meetings with entrepreneurs and, subsequently, during President Carlos Menem's official visit to France next week, join the presidential entourage.

The trip, which had not been announced previously, was confirmed by the Economy Ministry's press office this afternoon. The minister, together with Economy Ministry Press Director Adrian Gomez, departed from Ezeiza [International Airport].

Argentina: 'Persistent Rumors' of Cavallo's Resignation

PY2302211396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0106 GMT 23 Feb 96

[FBIS Translated Text] Buenos Aires, 22 Feb (NA) — The reappearance of the signs that some months ago created the impression that Economy Minister Domingo Cavallo was walking a tightrope gave rise today to persistent rumors in the corridors of power of the economy minister's possible resignation.

The rumors that Cavallo was on the point of resigning originated in several events that occurred within the framework of the confused situation in which the economy minister finds himself within the cabinet.

The most important one was a statement made by President Carlos Menem during a ceremony held at a hospital in the Buenos Aires Province borough of Almirante Brown. The head of state pointed out that "each government official should take charge of the remarks he/she utters," adding that the charges the economy minister leveled against businessman Alfredo Yabran "do not affect in the least the image and functioning of our country."

In an interview with the magazine GENTE, Cavallo said that Yabran could have him killed, although he then played down these remarks on television, noting that in fact that is what some members of his family think.

Nevertheless, the lack of explicit support for the economy minister by high-ranking government officials aroused speculations in the corridors of power that Cavallo had been left to his own devices on this occasion.

Within this context, it was rumored that Ricardo Lopez Murphy form the Radical Civic Union might replace Cavallo, even though Lopez Murphy has said time and again that he does not want to become a member of the incumbent administration.

To cap it all, Cavallo abruptly left for France early in the afternoon to join the president's entourage, which will only arrive in Paris on 25 February.

This is the first time that the Economy Ministry has not announced a trip the economy minister was about to make, and the minister's agenda that it released is practically the same as the one disclosed by Government House listing the meetings that the president will have.

Cavallo will, therefore, have very few activities outside those slated for Menem's entourage. He will hold two meetings with French businessmen, which is not much for the two days he will stay in the French capital.

The interpretation that some gave to Cavallo's sudden departure was that in light of the concern this new spate of accusations caused in business and political circles, Menem obliged the economy minister to get away from the eye of the storm.

There were calls from international financial centers throughout the entire day asking about the scope of Cavallo's charges and a possible conspiracy against him.

What is more, it was agreed at the Stock Exchange that the financial situation, which was rendered more complex on account of the hike in international interest rates, could worsen with a new political crisis.

In this context, investors would continue to delay their decisions to invest in Argentina, when these investments are vital for Argentina given the recession in which it is steeped.

There was speculation that Menem, while in Paris, will have a long talk with Cavallo, either to request that he hold his tongue — like in mid-1995 — or to inform the minister that he will reshuffle the deck and deal the cards again at the strategic Economy Ministry.

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Argentina: Jujuy Governor Killed in Highway Accident

PY2302152096 Buenos Aires TELAM in Spanish 0956 GMT 23 Feb 96

[FBIS Translated Text] San Salvador de Jujuy, 23 Feb (TELAM) — Jujuy Vice Governor Carlos Alfonso Ferraro has reported that Jujuy Governor Guillermo Eugenio Snopek died in a car accident at 0430 today. He was driving his own car, which hit a horse on National Highway No. 9.

The vice governor added that Snopek was returning from a meeting with national authorities a few hours before the car accident, as he was scheduled to sign a number of agreements with Social Development Secretary Eduardo Amadeo today.

Bolivia

Bolivia: Brazil's Lampreia Discusses Gas Pipeline Issue

PY2302140596 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 22 Feb 96

[FBIS Translated Text] At any rate, gas will be gas. Do you know how? Gas will go to Brazil, Brazilian Foreign Minister Luiz Felipe Lampreia has confirmed.

Luiz Felipe Lampreia said various sectors in Brazil have challenged the gas pipeline project.

The Brazilian Government has chosen to play dumb, as Santa Cruz dwellers say. Lampreia confirmed to the Bolivian authorities that the construction of the gas pipeline would be achieved at any rate.

[Begin recording] [Lampreia] Unanimity exists in cemeteries alone, right?

[Unidentified reporter] In other words, the project will proceed.

[Lampreia] Sure, sure. [end recording]

Foreign Minister Lampreia reported that a bid would be called for this project, which will require thousands of millions of dollars, by mid-1996.

[Begin Lampreia recording] Quite likely, we will take the concrete measure of calling the bid during the first half of this year. [end recording]

In Brazil, the laying-out and cost estimates are being advanced. And the Brazilian foreign minister's visit to Bolivia has been designed to hold additional talks to achieve the natural gas sale.

Bolivia: Change in Gas Price for Brazil Ruled Out

PY2302143496 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 23 Feb 96

[FBIS Translated Text] Foreign Minister Antonio Aranibar has ruled out the possibility that the visit of his Brazilian counterpart, Luiz Felipe Lampreia, has been designed to achieve price changes with regard to Bolivian natural gas sales to Brazil.

Aranibar emphasized that he did not receive any official information on this goal, based on the alleged argument of an extremely high cost for the construction of the Santa Cruz-Sao Paulo gas pipeline.

Aranibar confirmed that the talks are based on the price fixed in late August between the teams of experts from the two governments.

Brazil

Brazil: Mexican Proposal Seen as 'Message' to U.S.

PY2302220496 Rio de Janeiro O GLOBO in Portuguese 22 Feb 96 p 22

[From the "Economic Outlook" column by Miriam Leitao: "A Message to the North"]

[FBIS Translated Text] The Mexican proposal to sign an agreement with Mercosur [Common Market of the South] has been a diplomatic move. Through the proposal, Mexican President Ernesto Zedillo sought to send a message to the United States, where NAFTA is being resisted. The Mexican proposal is so comprehensive — to the point of including services — that it took the Brazilian Government by surprise and caused Brazilian officials to become suspicious. Zedillo first proposed a direct agreement with Brazil. It was only later that he proposed an agreement with Mercosur. None of these proposals was preceded by any negotiation, which is unusual in diplomatic circles.

Mexico remains where it has always been: Next door from the United States and far away from its southern neighbors. U.S. products account for 70 percent of Mexican imports, while Latin American items account for only 4 percent of these imports. Regarding Mexican exports, the percentages are 75 and 5 percent, respectively.

Assuming that Mexico signs an agreement with Mercosur, it will have to provide for mutual benefits; that is, advantages granted within Mercosur will have to be reciprocated on the Mexican market. The fact is that Mexico, unlike the rest of the Latin American countries, has access to the U.S. market. The agreement will thus have to extend this benefit to the four Mercosur

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member countries. The move would be excellent, but the Americans will have to concur.

A yet unresolved crisis has erupted between NAFTA and Mexico. Efforts to lay down the operational rules of the common market are behind schedule. Projected investments for NAFTA have been delayed. Even Mexican agricultural products have been barred from the U.S. market due to pressure exerted by lobbyists of Florida, a major electoral state.

In keeping with the wave of goodwill shown by multilateral organizations toward Mexico, the IMF used the World Economic Forum to give a clean bill of health to Mexico. IMF Managing Director Michel Camdessus has stated that the Mexican crisis is over.

Mexico remains hostage to its chronic ineptness to grow. Hardly recovered from the 7-percent recession it experienced in 1995, it is fighting a much higher inflation rate than in previous years. Thus, an end to the Mexican crisis is nowhere in sight. It was able to obtain a trade surplus, which is hardly an achievement taking into account the size of the peso devaluation. Mexico has merely stopped going from bad to worse.

A real estate company last week failed to meet its international commitments and provoked investors to become more selective regarding Mexican companies. The situation was worse last year: The same company failed to pay some commercial papers and wreaked havoc among investors in Mexico. This would give an idea of the extent to which Mexico "has improved."

An analyst of a major U.S. bank yesterday said in New York: The situation has improved, but Mexico is still in bad shape.

Brazil: Businessmen Say Mexican Trade Proposal Favorable

PY2302233896 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Feb 96 section 1 p 9

[Report by Antonio Carlos Seidl]

[FBIS Translated Text] Brazilian businessmen involved in Mercosur [Common Market of the South] on 21 February told FOLHA that they view favorably Mexican President Ernesto Zedillo's proposal for a trade agreement between Mexico and the Mercosur bloc — which consists of Brazil, Argentina, Paraguay, and Uruguay.

Zedillo made the proposal on 19 February during President Fernando Henrique Cardoso's visit to Mexico City.

In the opinion of the Brazilian businessmen, the Mexican dream of achieving an economic level comparable to that of the United States or Canada by joining NAFTA (North American Free Trade Agreement) has come to an end.

A search for new markets is behind the Mexican interest in seeking integration with Mercosur and reflects a change in the Mexican position toward Latin America.

Luiz Fernando Furlan, director of the Foreign Trade Department of the Sao Paulo State Federation of Industries (FIESP), said that the proposal came as a surprise because Mexico was exclusively geared toward the North American region.

Furlan said that recession is causing Mexico to seek a market that the United States has failed to provide as a result of the opposition within the U.S. Congress to letting NAFTA move forward and of the political problems stemming from an election year.

Furlan added: "The Mexicans, who have a sword hanging over their heads and are going through a traumatic transition following the peso devaluation, are now forced to increase their exports."

Michel Alaby, vice president of Adebim (Association of Brazilian Firms for Integration into Mercosur), said that the Mexican proposal is much more than just "a trial balloon."

Alaby believes that, although the issue merits a thorough discussion, he does not envisage any results in the short term. He noted that Mexico and Brazil are strong competitors regarding exports in auto parts, automobiles, textiles, orange juice, and shoes to the U.S. and Canadian markets.

He said that, without knowing the details of the Mexican proposal, it would be difficult to tell which sectors stand to lose or win with a possible reduction of tariff barriers between Mexico and Mercosur.

Alaby added: "From a general standpoint, integration agreements are instrumental in opening markets for new products and in increasing trade volumes."

Antonio Fernando Guimaraes Bessa, coordinator of FIESP's Interdepartmental Committee for Mercosur Affairs, has said that the Mexican interest in Mercosur shows that NAFTA has not progressed as Mexico expected.

Guimaraes said: "NAFTA represented for Mexico the dream of achieving a full, complete integration with the United States and Canada, but this integration has not yet materialized."

Guimaraes added: "Now that this dream has come to an end, Mexico is again seeing advantageous trade opportunities in smaller trade partners.

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Juan Manuel Quiros, former coordinator of the FIESP's Interdepartmental Commission for Mercosur, believes Brazil should look at the proposal "with affection."

Quiros said: "Brazil and its Mercosur partners should use Mexico as part of a strategic policy of negotiations with NAFTA."

Quiros said that it should be made clear whether Mexico's interest in Mercosur is firm, in the long term; or whether it is temporary, in light of its problems with NAFTA and of its economic recession.

Quiros said Mercosur stands only to win in an agreement with Mexico, which is comparable to the agreement already signed with Bolivia and the one to be signed next month with Chile. He said: "New partners mean new markets and more business opportunities."

Benedito dos Santos, manager of the FIESP Foreign Trade Department, believes that Zedillo's proposal shows that "Mexico has discovered Brazil."

Dos Santos said that bilateral trade figures will prove his point: Mexican exports to Brazil grew by 200 percent from January to October 1995 compared to the same period in 1994.

Mexican sales to Brazil jumped from $235 million to $705 million, especially concerning vehicles, cotton fabric, blankets and bedspreads, engines, and industrial machines.

Brazilian exports to Mexico dropped from $880 million to $420 million during the same period. Mexico, which ranks 16th among Brazilian trade partners, accounted for 1.69 percent of Brazilian exports from January to October 1995.

Brazil: 'Source' on Brazil's Alliance Talks With Mexico

PY2402003096 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Feb 96 p B2

[From the "Straight from the Source" column by Sonia Racy]

[FBIS Translated Text] The Mexican proposal to set up a Mexican-Brazilian strategic alliance — which was announced by President Ernesto Zedillo on 19 February during President Fernando Henrique Cardoso's visit to Mexico City — did not take either Itamaraty [Brazilian Foreign Ministry] or President Cardoso by surprise. According to a well-placed source, negotiations to this effect started about a month ago. Mexican diplomats had proposed to Itamaraty the idea of an agreement that would entail a substantial reduction of tariffs. The Brazilian diplomats answered that Brazil is a member of Mercosur [Common Market of the South] and, therefore, it cannot enter into any trade agreements separately from Argentina, Uruguay, and Paraguay, particularly regarding tariffs. According to the same source, despite the Brazilian objections, the Mexicans continued to insist. Noting that the proposal would put Brazil in a delicate position, Itamaraty decided to attribute a purely political and cultural nature to the presidential visit, hoping that the Mexicans would give up. To this end, Itamaraty removed from the agenda every engagement in the economic area. Itamaraty also vetoed the presence of Brazilian businessmen in the presidential entourage, but they ultimately traveled on their own. Thus, Itamaraty regarded the subject as closed.

The maneuver was not successful. When Zedillo made the proposal, Cardoso feigned surprise, making it clear that the Brazilian Government would have to study the matter with its partners.

Thus, Cardoso brought the explosive matter home.

Brazil: Deal With Mexico 'Difficult' Due to U.S., NAFTA

PY2402021696 Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Feb 96 p 3

[Report by Sergio Leo]

[FBIS Translated Text] Mexico City — President Fernando Henrique Cardoso's advisers are convinced that, due to its excessive dependence on the United States, it would be very difficult to negotiate a free trade agreement with Mexico. The Brazilian Government has received strong pressure during President Cardoso's visit to Mexico to set up "a strategic alliance" with Mexico and to start negotiations for a free trade agreement, which would be even broader than the one being negotiated with Chile because it would include the defense of patent rights. Although no timetable has been set, the agreement will be negotiated.

Mexican trade representatives have revealed a very particular objective in negotiating this treaty: Mexico does not want to extend to Mercosur [Common Market of the South] member countries the same advantages granted a few years ago to Uruguayan exports. Under international rules, these advantages — lower import tariffs — would be automatically extended to Brazil and Argentina, which are industrially capable of competing with Mexican products.

The talks with Mexico will be difficult for at least three reasons: NAFTA, the trade agreement signed by Mexico with the United States and Canada; the uncertainties surrounding the U.S. presidential election — which is increasingly acquiring a protectionist tone, and thus

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posing a threat to Mexican foreign trade; and the need for Brazil to hold prior consultations with its Mercosur partners.

During a breakfast at the Mexican Business Council for International Affairs, Cardoso said: "Everything coming from Mexico will be regarded with optimism. There will be practical questions as to when and how to get things done. Yet, there is a problem: The free trade agreement signed by Mexico with Canada and the United States."

The Mexicans used the expression "strategic alliance" time and again during the visit. Cardoso chose to talk about partnership. Addressing the Mexican businessmen, he said: "It is paramount for Brazil to set up a true partnership that would be devoid of rhetoric." Brazilian diplomats objected to the term alliance, but it was included in the final communique due to the Mexicans' insistence.

Brazil: Mexican Proposal on Alliance 'Spectacular' Move

PY2402022396 Sao Paulo GAZETA MERCANTIL in Portuguese 22 Feb 96 p A4

[Report by Maria Luquet]

[FBIS Translated Text] Mexico has something that makes it special, something that goes beyond its border with the United States: Careful, skillful marketing. Each year, Mexico spends some million dollars for the specific purpose of preserving its international image. It is a very well-organized action, designed by professionals and masterminded by the Presidency of the Republic. Mexican marketing is not an initiative of the Ernesto Zedillo government. The great designer of this efficient machine, which improves the Mexican image far beyond the real dimensions of the country, was Zedillo's predecessor Carlos Salinas de Gortari. Zedillo lubricated the machine with unbelievable ability.

The strategic alliance with Brazil is the latest and most spectacular Mexican marketing move. As the Mexicans wanted, the expression "strategic alliance" appeared in the three-page joint communique that the two countries released in the evening of 20 February, upon conclusion of the Brazilian president's three-day visit to Mexico City. "The two presidents expressed their will to establish a strategic alliance between Brazil and Mexico, based on dialogue and political agreement, in order to strengthen bilateral ties and to coordinate their positions on major regional, hemispheric, and world issues," the communique states.

Before being published, the text of this communique was changed four times, with the serious danger of failure. The expression strategic alliance does not ring well in the ears of Brazilian diplomats. "Strategic alliance sounds like a military alliance," a high-ranking Brazilian Government said. There is another major specific topic: The strategic alliance proposed by Mexico does not have, strictly speaking, a consistent, clear content. Not even the Mexican Government could describe the alliance or what it was planning to do. What has happened — and this has to some extent annoyed the Brazilians — is that the alliance essentially follows the Mexican self-promotion style. At this difficult time in its socioeconomic life, it is important for Mexico to have a strategic alliance with the largest South American economy. Boasting about the alliance all over the world is as important as the practical results that it might yield.

The proposal, which the Mexican Government made during the meeting between Presidents Cardoso and Zedillo at National Palace on the morning of 19 February, the second day of Cardoso's official visit, surprised Brazilians because of its scope. "The proposal seeks a broad, very ambitious agreement," Foreign Minister Luiz Felipe Lampreia said after the meeting. On the last day of his visit, President Cardoso, whose entourage included no economic team members, had breakfast with Mexican entrepreneurs. The meeting, which was unscheduled, was held at the request of the Mexican Government. The meeting was first canceled and then confirmed by the Brazilian Government. Cardoso received a standing applause. He said that sound relations must be political and that a political relation begins with cultural ties. He said this was the reason for bringing the culture minister, and not the ministers of the economic area.

Mexico is especially interested in a broad bilateral commercial agreement with Brazil. Mexico knows that Mercosur [Common Market of the South] is the path leading to this agreement. Whenever he spoke about it, Cardoso emphasized that Mercosur is Brazil's priority, and that Brazilian commercial relations are made through that bloc. "The two presidents emphasized the importance of the negotiation process between Mexico and Mercosur, which is aimed at producing a broad agreement that may promote economic and commercial integration between both sides," the joint communique states.

It was a political visit, as the Brazilian Government wanted. Yet its economic side gained the dimension sought by the Mexican Government. The visit had no other practical result than the communique. The strategic alliance is very unlikely to ever be implemented, and its life is likely to be limited to the pages of the joint communique, which has provided for the start of the alliance. The matter was included in the official document only because of the Mexican Government's insistence. Not even the Mexican Government knows how this al-

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liance will operate. The truth is that there is a long path to be covered before creating the alliance, if it is ever created, and Brazil wants to begin with a cultural step.

Brazil: 'Marketing Strategy' for Cardoso Image Viewed

PY2102220696 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Feb 96 Section 1 p 5

[Report by Sonia Mossri]

[FBIS Translated Text] President Fernando Henrique Cardoso will modify his government's marketing strategy. The president's image of guardian of the real and of economic stability will not be the only priority for 1996.

A program of visits starting in March, during which a series of projects will be dedicated, will intend to transform Cardoso into a president who promotes projects.

The modification will be made in a year in which there will be municipal elections (October) and in which Congress will debate on his reelection.

The president's first tour will begin in March, with the dedication of dams in Pernambuco, Ceara, and Rio Grande do Norte.

Gustavo Krause, Minister of Environment and Water Resources, will accompany the president to the dedication of the Serrinha (PE) [Pernambuco] and Fogareiro (CE) [Ceara] dams. During the same visit, the Master Plan for Water Resources of Rio Grande do Norte will be set in motion.

Krause was one of the main designers of the new presidential image for 1996. "Despite the misery, I have one facility per month for the president to dedicate," he said.

"Even with little money it is possible to properly plan the use of funds," Krause said, referring to the 19 dams, which will be built this year at a total cost of 57 million reals [R].

Ministers Jose Serra (Planning), Paulo Renato Souza (Education). and Odacir Klein (Transport) will accompany President Cardoso during the dedication ceremonies.

All facilities built with federal investments will be solemnly "dedicated" with the presence of the president.

On 23 February, for example, he will go to southern Brazil to visit the petrochemical center in Triunfo (RS) [Rio Grande do Sul]. The center was expanded with the help of federal funds.

In addition to the dedication ceremonies, Planalto Palace has planned to start special development programs, with priority for the northeastern region.

The package for the region includes a promise to open special credit lines, worth R1 billion, from the BNDES (National Bank for Economic and Social Development) and the BNB (Bank of Northeast Brazil).

The funds will be invested in industrial projects in the region. According to Regional Secretary Cicero Lucena, the credit line is an extension of the Competitive Northeastern Region program.

Lucena told FOLHA that the BNDES funds will supplement the projects being financed by Finor (Northeast Investments Fund), whose budget for 1996 amounts to R600 million.

"The industrial projects funded by Finor, completion of which will require six to seven years, will be completed in two years," Lucena said.

The government has also promised to sign a financial agreement with the IDB (Inter-American Development Bank), to earmark R1 billion for irrigation in the northeast.

Lucena said that over the next four years the government objective will be to irrigate 643,000 hectares, with the support of private investment.

The promises for investment in the northeast are also being mentioned in the promotion of the policy of creation of jobs, which Cardoso described as a priority for 1996.

According to Lucena, who might resign in order to run for the post of mayor of Joao Pessoa (PB) [Paraiba], the irrigation program can create 1.4 million jobs.

The government is sponsoring three constitutional reform bills that are being studied by Congress — social security, administrative, and taxation — and it must meet the demands of northeast lawmakers in order to have their votes.

Senator Ronaldo Cunha Lima, (PMDB-PB) [Brazilian Democratic Movement Party] said that northeast lawmakers, "irrespective of their party," demand "preparation of a government plan for the region."

"It is obvious that a northeast lawmaker who feels that the region is satisfied with the government will also be happier to support government initiatives," Cunha Lima said.

Senator Epitacio Cafeteira (PPB-MA) [Brazilian Progressive Party- Maranhao] has said that Cardoso "can

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win support for the reelection amendment in the Senate if it adopts measures that benefit the northeast."

Brazil: Revenue Office Investigates Senator

PY2102154996 Sao Paulo VEJA in Portuguese 14 Feb 96 pp 18, 20

[Article by Monica Bergamo]

[FBIS Translated Excerpt] In November 1995, when he proposed canceling the contract for the Sivam [Amazon Region Surveillance System], the $1.4-billion radar project for the Amazon Region, Senator Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonas] reported to VEJA: "I know many things; I know more than Pedro Collor. I know who gave what to whom in the presidential campaign." Last week, President Fernando Henrique Cardoso sent a letter to Congress taking political responsibility for the Sivam project. The following day, Senator Ramez Tebet (PMDB), who is the rapporteur of the committee that has been investigating possible irregularities in the project for two months, presented his report, which was favorable to the Sivam project. In the text, gushing with praise, Tebet defined the investment as "an essential tool for the construction of our future." In his office, talkative Gilberto Miranda became speechless. "I am through with this Sivam business. I want to put a stop to this soap opera show," he said. What can have happened to make Miranda, who deemed Sivam absurd, give up the idea of defeating it on the Senate floor?

What happened is that the Federal Reveue has been ordered to investigate Miranda's enterprises. There are five Revenue Office inspectors who, in Sao Paulo and the Manaus Free Trade Zone, started investigating assets which are estimated at millions and millions of dollars. The first investigations showed that the senator has almost nothing in his name and that he pays income taxes only on the 8,500-real salary he receives as a senator. His Learjet-35 plane, for example, is in the name of the Baungaville Investment Company. Cabras Island, across from the Sao Paulo northern coast, is in the name of his holding, Humana. It is the Federal Revenue's duty to investigate all citizens whose visible assets do not coincide with their sources of income, or who have become rich overnight. Both situations fit in Gilberto Miranda's case.

The 49-year-old Amazonas State senator is a former swimming teacher who became a millionaire after associating with large enterprises in exchange for the facility of obtaining, with friends, authorization for them to install their facilities in the Manaus Free Trade Zone. Miranda's wealth can be seen as proof that Brazil is a land of opportunities for the champions of free initiative. The Revenue Office, however, suspects that this wealth may prove something else. The only odd thing is that the Revenue Office is investigating Miranda exactly when the Sivam project is being debated in the Senate. The Revenue Office had many other opportunities to investigate Miranda. After all, the senator became that rich 20 years ago and has been appearing in the gossip columns for a decade. In addition, the Revenue Office did not even find it strange when Miranda opened the strings of his purse last year to buy the Rolls-Royce that belonged to Carmen Mayrink Veiga [famous Rio de Janeiro socialite]. Only now, a few days before the Sivam project goes into final voting in the Senate, which will probably occur in March, does the Revenue Office decide to investigate Miranda.

Senator Roberto Requiao, former Parana governor, said: "We are facing a gang, not an administration." PMDB leader Senator Jader Barbalho added: "Not even the military dictatorship dared to use that sort of instrument." Senate President Jose Sarney said in a private conversation: "The Federal Revenue Office should not mingle with politics. They represent two different areas. Politics is politics; business is business." Now that the Revenue Office is after him, Senator Gilberto Miranda has replaced his habit of shouting before the spotlights for talks in his office. When he was received at Planalto Palace on 1 February, Miranda complained to President Cardoso about this investigation. "This is a technical problem; it will not have a political solution," the president assured him.

Miranda has also complained to Sarney, who is his best friend in the Senate. Sarney phoned Vice President Marco Maciel, who is Revenue Secretary Everardo Maciel's cousin. A little dramatic that day, Sarney said: "Miranda is feeling hurt with regard to his human rights." Maciel phoned Everardo Maciel, asking: "Is anything going on? The senators are complaining." Everardo Maciel answered: "It is a routine operation." Miranda has also sent messages on the issue to government leader Luiz Carlos Santos (PMDB) and Finance Minister Pedro Malan. After listening to Miranda's complaints, Malan contacted Everardo Maciel, who is his subordinate, and recommended: "Take it easy." [passage omitted]

Brazil: Police Prepare Antidrug Operation With Paraguay

PY2302181096 Rio de Janeiro Rede Globo Television in Portuguese 1615 GMT 23 Feb 96

[FBIS Translated Text] Brazilian police will be able to enter into Paraguay to chase drug traffickers. Right now, Brazilian Federal Police and Paraguayan Army representatives are holding a meeting in Ciudad del

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Este, Paraguay, to plan a large operation against drug trafficking in the border area.

Large quantities of marijuana as well as cocaine, produced in Bolivia and Colombia, pass through Paraguay and enter Brazil through the borders with Parana and Mato Grosso do Sul States. From there, the drugs reach the large Brazilian cities. The police know the routes and are trying to close the circle around them. Nearly 6 tonnes of marijuana and more than 2 tonnes of cocaine were confiscated in the two abovementioned states last year alone.

The Brazilian Federal Police and the Paraguayan Anti-narcotics Secretariat will exchange information and sign an agreement so that agents of the two countries can carry out investigations in each other's territory without violating their sovereignty.

Federal Police Director Vicente Chelotti added that the two countries are preparing a large operation to try to identify and arrest drug the traffickers who operate in the region.

[Begin Chelotti recording] We must organize ourselves in such a manner that the two police forces will be strong enough to better combat drug traffickers because they are organized and strong. [end recording]

Brazil: Increasing Importance of Microeconomy Viewed

PY2302180996 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Feb 96 Section 1 p 2

[Editorial: "Microsurvival"]

[FBIS Translated Text] Nowadays, the fundamental economic issue is no longer macroeconomics, or merely macroeconomics. The weight that modifications occurring in the market structures, or in the so-called microeconomy, has in the national agenda is increasing. It is within this framework that one can begin to notice the booming new wave of investments.

Not only public accounts, the exchange rate, or the inflation rate are important now. Slowly, less abstract variables that are closer to the realities of the markets are beginning to have more importance. Differentiation of the economy in accordance with areas and business opportunities is now occupying a more visible position.

One of the first indications of this trend is a number of accelerated changes that have been taking place in the last few months in the retail sales area, as well as in that of the large distribution networks.

On the one hand, there have been resounding entrepreneurial failures (such as last year's traumatic episode involving the Casa Centro stores). On the other hand, we can see the moves being made by foreign enterprises interested in entering the Brazilian market as soon as possible, and by other enterprises that have just been installed in the country. These moves are causing the competitors who have been in the country for some time serious concern.

In addition to commerce, more and more changes are taking place in the country and more and more money is being invested in the areas of services, banking, construction, and real estate. Although the economy is still far from experiencing a generalized resumption of investments, the increasing presence of new competitors, with differentiated strategies, can be noticed in the national economy.

A selective occupation of the markets, with an increasing participation of foreign competitors and strategic alliances, is under way. Now, it is the moment to fight for survival in each market and in each area.

Brazil: Roundup of Economic Reports Through 23 Feb

PY2402031996

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 23 February.

FINANCIAL OPERATIONS

High Interests Reduce Companies' Profit — High interest rates have contributed to reduce the enterprises' profit because they "increase costs," consultant Mario Alberto Lopes Coelho said. He added that "enterprises that asked for loans at the end of 1994 in order to increase the installed capacity, have indeed sold more but are profiting less." The Gerdau Group is an example of that: Their profit in 1995 was 42 percent lower than in 1994 and dropped from $91.1 million to $52.8 million. A study conducted by Tecnica, an advisory enterprise, indicates that from January to September 1995, 137 nonfinancial enterprises had a profit 45.87 percent lower than that registered in the same period in the previous year, although their sales increased by 11.48 percent. The study also indicates that the net assets of the enterprises increased by 18.58 percent, while their net margin of profit and earnings dropped from 11.36 percent in 1994 to 5.52 percent in 1995, and from 3.57 percent to 1.63 percent, respectively. Concluding, the analysis conducted for each economic area indicates that only a few industries had an increase in their profit: The beverage industry increased its net profit by 85.09 percent in 1995; the stores increased their sales by 75.29 percent; and the paper and cellulose companies increased their net profit

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by 61.54 percent. Those that had a more accentuated drop in their profit were: energy-producing companies, 95.68 percent; capital goods (minus 71.42 percent); and telecommunciations and informatics (minus 62.72 percent). (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Feb 96 p B1)

Embraer's Invests in Modernization — The Brazilian Aeronautics Company, Embraer, which functions in Sao Jose dos Campos, is investing $30 million in the modernization of its equipments. The main objectives of the enterprises are: to eliminate risks of having to stop production, reduce maintainance costs, and increase the quality and productivity of the planes. For at least five years, Embraer had made no investments in modernization. The first machine to be modernized is the one used by Embraer to cut and make holes in steel sheets. The machine was purchased 10 years ago for $1.8 million and its modernization will now cost $85,000. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Feb 96 Section 2 p 3)

Taiwan To Build Factories in Brazil — Taiwan will invest in the installation of 30 industrial plants in Brazil. At least four companies are already negotiating the concession of fiscal benefits and incentives for their installation. They are: Sampo Corporation, which manufactures the Sharp and Sanyo brands in Taiwan; Pao Tsan, the largest tennis-shoe manufacturer in Asia, which has the Nike and Reebok franchises; Taiwan Plastic; and King Car. The two latter work in the foodstuffs sector. The new industrial center will be operating next year and will require initial investments totaling $200 million. Paulo Tsung, public relations official of the Brazil-Taiwan Trade and Industry Association, has reported that "the Taiwanese Government has opened a $1 billion credit line for the Taiwanese entrepreneurs who are interested in installing their companies in Brazil." The new industrial center will be built along the Ayrton Senna highway, in Mogi das Cruzes county, Sao Paulo State, and will occupy a 378,000-square meter area. On 10 March, Chang Sheng Kai, president of the Brazil-Taiwan Trade and Industry Association, who owns the Brasfanta Group, will go to Taiwan with a group of Chinese enterpreneurs settled in Brazil. They will hand Taiwan's economy minister a folder with opportunities for investment in the Mogi das Cruzes region. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Feb 96 p 15)

Short-Term Fund Avoids Compulsory Deposit — Going against the principles of the economy, the banks are offering their largest clients a special fund that combines high earnings and immediate liquidity. It is the so-called "me-alone fund," which also opposes the Central Bank's plans to stimulate only long-term investments. In these exclusive individual funds, only one company or entrepreneurial group invests. The legal period for withdrawal of these funds is 60 days, but the companies can do it before this period is over without losing the earnings. The "trick" behind these funds is simple: normally the financial investment funds receive deposits from any client, in a pool system, but whoever withdraws the funds before the minimum established period is over, loses the earnings in favor of those who keep their money in the fund. In the case of the "me-alone fund," however, the enterprises are the only investors and end up by receiving the full earnings. As these funds represent 60-day investments, they do not have to pay the compulsory deposit to the Central Bank. Brazilian Discount Bank, Bradesco, the largest private bank in the country, is currently administering 12 such funds, with an overall net asset totaling R366.5 million. The bank wants to have at least 100 such funds before the end of the year. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Feb 96 Section 2 p 1)

Chile

Chile: Foreign Minister Previews Christopher Talks

PY2302232396 Madrid EFE in Spanish
2113 GMT 23 Feb 96

[FBIS Translated Text] Santiago, 23 Feb (EFE) — Chilean Foreign Minister Jose Miguel Insulza stated today that he will discuss all bilateral issues with his U.S. counterpart Warren Christopher, but ruled out possible developments concerning the NAFTA issue.

Referring to the visit that Christopher will make to Santiago on 27 and 28 February, Insulza said: "We are going to discuss all issues related to bilateral relations we might consider important."

Insulza warned, however, that he does not believe that during this visit a new announcement could be released on Chilean negotiations with NAFTA.

Although the two governments stress the importance of Christopher's visit to consolidate political rapprochement, in Chile the free trade issue is prevailing in the analysis of bilateral relations and the lack of concrete results in this field is the object of criticisms.

Christopher will arrive in Santiago on the afternoon of 27 February within the framework of a Latin American tour and will remain in this country less than 24 hours before leaving on the 28th for Argentina.

Insulza recalled that this is the first visit of a U.S. secretary of state to Chile in 25 years. He said that "it will be a great opportunity to talk with him on the number of bilateral issues," which will represent "a good barometer of relations."

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Moreover, Chilean Ambassador to Washington John Biehl places great political significance on Christopher's tour of Latin America and said that it could provide pleasant surprises."

He said that one of the matters to be reviewed on the bilateral agenda is the possibility of eliminating visas.

The ambassador, who said that bilateral relations are being intensified, said that "the possibility of Chileans and U.S. citizens visiting each other's countries without a visa will become a reality."

Christopher's visit has revived critical commentaries, however, among Chilean political and economic circles, to the desire demonstrated by the United States to firm up its free trade message.

In 1995, it was expected that Chile would join NAFTA, which comprises Mexico, Canada, and the United States, and the governments of those three countries had announced their support for the addition of a new South American partner.

Negotiations stagnated, however, when the administration of U.S. President Bill Clinton failed to achieve Congress approval for a "fast track" [two preceding words in English] treatment, which is essential to firm up international agreements such as those concerning free trade.

"Since the expressions of friendship and trade between the United States and Chile have not come to fruition, he is now being sent to give explanations, as a gesture of goodwill," Chilean Senate President Gabriel Valdes said.

Valdes, one of the top leaders of the ruling Christian Democratic Party, said that Christopher travels throughout the world, but has not come through this region, and for this reason his visit "is just a matter of education."

In answer to a survey among politicians on Christopher's visit, published today by the afternoon newspaper LA SEGUNDA, Senator Sebastian Pinera of the opposition National Renewal Party, said that in the case of free trade, "so far there have been just words and we would like to see facts and realities."

Official and opposition members agreed in stressing the fact that beyond the frustrated Chilean negotiations, the free trade goals announced in the Initiative of the Americas in the beginning of 1990 have neither been fulfilled. Those goals were confirmed at the Summit of the Americas held in Miami toward the end of 1994.

Victor Manuel Rebolledo, one of the top leaders of the ruling Party for Democracy (PPD), said: "It is a pending assignment of U.S. foreign policy."

Chile: Envoy to Peru Says Ties Unaffected by 'Episodes'

PY2302180696 Santiago EL MERCURIO in Spanish 22 Feb 96 p C3

[FBIS Translated Text] Chilean Ambassador to Lima Carlos Martinez Sotomayor said yesterday that the wave of controversial episodes between the two countries has not affected bilateral ties. He also ruled out the possibility that they could negatively affect negotiations that will resume next month to reach an economic complementation agreement.

Martinez Sotomayor added that recent remarks by the Tacna mayor on the possible expropriation of the land where the Chilean consulate is located pose no pending problem for Chile, nor is this a subject on the bilateral agenda.

The ambassador discussed aspects of bilateral ties with Acting Foreign Minister Mariano Fernandez and refused to term relations as worrisome, despite recent events.

The decision adopted by the Arica municipal council to pave part of the Pan-American highway through "El Chinchorro" was followed by a diplomatic note sent by the Peruvian Foreign Ministry to Chile, in which it tacitly rejects the Lima Convention.

The situation worsened when the Lima executive branch adopted a number of measures seeking to forbid imports of used vehicles, as well as to limit the entry of a number of other products which are supplied through Arica and Iquique.

This has prompted remarks by Tacna Councilman Tito Chocano, who told a Peruvian newspaper that he wanted to carry out some highway projects, to enlarge some streets, for which he could use part of the property in this town where, at present, the Chilean Consulate is located.

After stating that ties with the neighbor country are "extremely positive," Martinez Sotomayor said that "an episode, a statement, or the attitude of some local people could by no means tarnish the normal relations developed by the governments and other institutions of the Peruvian and Chilean national societies."

He denied that remarks by the Tacna mayor were one of the subjects discussed yesterday with Fernandez.

The ambassador rejected the possibility of talking about an "accumulation of problems," much less that it could affect trade negotiations.

After the suspension of talks last year to reach a trade agreement, the two parties decided to resume talks in March 1996, on a date yet to be set.

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Concerning the Lima Convention — an agreement signed on 11 May 1993 to put an end to pending points of the 1929 Treaty — Martinez Sotomayor said that the two foreign ministries "are holding normal talks on the matter."

Colombia

Colombia: Top Military Commander Zuniga Said To Resign

PA2302143996 Mexico City NOTIMEX in Spanish 0357 GMT 23 Feb 96

[FBIS Translated Text] Santa Fe de Bogota, 22 Feb (NOTIMEX) — General Hernando Camilo Zuniga, commander of the Colombian Armed Forces, resigned today and asked to be discharged, the "CM& Newscast" television newscast reported.

The high-ranking officer presented his resignation letter the afternoon of 22 February after a week of consultations with top officers on the advisability of renewing the military hierarchy in view of the political crisis facing the country.

Gen. Zuniga explained that alleged difficulties he currently has with U.S. authorities, which could undermine bilateral cooperation, especially against drug trafficking, led him to make this decision.

No military source, however, had yet confirmed this information by the end of 22 February.

The Colombian crisis stemmed from a Congress investigation of President Ernesto Samper on the alleged financing of his successful 1994 political campaign with drug trafficking money. The president has denied this.

Colombian and U.S. sources reported two months ago that the government in Washington was studying the possibility of denying visas to Zuniga and other military men, because of certain links or at least because the struggle against drug trafficking was insufficient.

The officer has repeatedly denied that permission to enter U.S. territory was denied to him, but according to the "CM& Newscast," he admitted on 22 February that there are indeed problems in his relations with that country.

Colombia: Samper Denies Resignation of General

PA2302213996 Mexico City NOTIMEX in Spanish 1702 GMT 23 Feb 96

[FBIS Translated Excerpt] Santa Fe de Bogota, 23 Feb (NOTIMEX) — President Ernesto Samper Pizano today denied a report carried yesterday by a television newscast regarding the alleged resignation of Armed Forces Commander General Hernando Camilo Zuniga Chaparro.

The head of state said no official information was issued on the matter and noted that the top military commander will remain in his post "until necessary."

"CM& Newscast" reported that Gen. Zuniga Chaparro had tendered his resignation following a week of consultations with top military chiefs on the advisability of making changes in the top military command in the midst of the political crisis the country is experiencing.

"The only information I can provide on this point, in addition to noting the general's qualities as an excellent officer," "is that last November, he made some comments of a personal and family nature that made him harbor doubts about his remaining in that post," Samper stated.

He added, however, that on that occasion, it was agreed that he would stay at the helm of the Armed Forces for an indefinite period, and that decision has not changed so far.

According to CM&, Gen Zuniga also argued in his resignation the alleged difficulties he has with U.S. authorities, which could hamper the bilateral cooperation process, particularly in the counternarcotics struggle. He said it was these difficulties that led him to this decision. [passage omitted]

Several Colombian and U.S. sources had reported two months ago that the Washington government was studying the possibility of withdrawing visas from Zuniga and other officers on the grounds that there was some link between them and drug traffickers.

The officer denied that he had been denied permission to enter U.S. territory. According to CM&, however, Zuniga admitted on Thursday that there are indeed problems in relations with the United States.

As of Friday morning, neither Zuniga nor his associates had made any pronouncement on the Colombian station's report.

Colombia: Samper Denies Reports of Zuniga's Resignation

PA2402040796 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 24 Feb 96

[From the "Seven O'Clock Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0100 GMT 24 Feb]

[FBIS Translated Text] President Ernesto Samper Pizano and Army Commander General Harold Bedoya

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Pizarro have denied reports that Armed Forces Commander Hernando Camilo Zuniga Chaparro had submitted his resignation.

[Begin recording] [Unidentified reporter] The reports that Gen. Zuniga Chaparro subitted to you his letter of resignation yesterday or the day before yesterday are not true.

[Samper] It is not true that the general tendered his resignation.

[Bedoya] There is really no truth to that. I talked to him this morning, and he did not mention his resignation. For that reason, he will remain the commanding general of the Armed Forces. [end recording]

The remarks by President Samper and Gen. Bedoya notwithstanding, the Seven O'Clock Newscast learned that Gen. Zuniga's resignation is just a matter of time and that it would be related to reports of the withdrawal of his visa to the United States.

Colombia: Samper on General's Decision, Border Conflicts

PA2402202796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 24 Feb 96

[Report by Nadin Marmolejo; from the "Midday" newscast]

[FBIS Translated Text] President Ernesto Samper moments ago inaugurated the privatized electricity service on San Andres Island. He said that this will solve the electricity problems on the archipelago. The head of state also commented on Colombian-Nicaraguan relations. He said the Colombian Government remains calm in view of the possibility that Nicaragua might file a suit at the International Court in The Hague.

As for an alleged crisis with the military forces, the president said there is no such thing, because the decision whether to leave his post rests solely on General Hernando Zuniga. With regard to Venezuela, President Samper noted it is necessary to clarify incidents at the border area. He met with the reporters after the inauguration ceremony:

[Begin recording] [Samper] Yes, I am very happy. I think that this has been... [pauses] we are giving electricity and bringing social development to the island with this and another agreement that we will now sign. I think that this is very good.

[Unidentified reporter] Will there be enough resources for the aqueducts?

[Samper] Yes, we will announce a loan from (Sindeter) for more than 7.3 billion pesos that will allow us to advance this project.

[Reporter] [Words indistinct] with the military leadership?

[Samper] There was a meeting in which they voiced their solidarity with the president and the minister [not further identified], but particularly with the Armed Forces General Commander. As you know, Gen. Zuniga, for strictly personal reasons, voiced to me his wish to leave his post as commander of the armed forces since November and he reaffirmed this wish early this year. The commanders voiced their solidarity to Gen. Zuniga.

[Reporter] Is it imminent that Nicaragua will present its claim on San Andres and Providencia at The Hague? Is the national government calm about this?

[Samper] Colombia is absolutely certain about its juridical position; it has always been. We are, of course, determined to uphold this stand at any forum. We want, however, to maintain our relations within the atmosphere of mutual understanding and trust that has characterized our relations with Nicaragua for many years.

[Reporter] [Words indistinct]

[Samper] I am leaving for Providencia soon. We will have an advance post there. It will not a base in the strict meaning of the word, but a sovereign advance post.

[Reporter] [Words indistinct] Venezuelan protest?

[Samper] All these border issues are particularly sensitive. We told Venezuela that the persons who are infiltrating the Venezuelan border — such as guerrillas or drug traffickers — are obviously not representative of the Colombian state or member of the general Colombian public. These persons are as much their enemies as they are ours, and thus, we must fight them together.

Although we regret these incidents we think that they are not comparable to other ones in which the Venezuelan Armed Forces entered Colombian territory. I think that we should settle all these issues within the climate of cordiality that have characterized our relations.

[Reporter] [Words indistinct]

[Samper] In that regard, I have said that we should put aside attempts to explain my conduct that the Accusations Committee of the Chamber of Representatives is beginning to study at my behest. We will later find governability formulas. This is one of them. Another one we proposed is a popular consultation. Let us wait and see happens. [end recording]

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Colombia: Military Command Notes Support for Gen. Zuniga

PA2402055396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0400 GMT 24 Feb 96

[FBIS Translated Text] The military high command has just expressed firm support for Armed Forces Commander General Hernando Camilo Zuniga, although Zuniga had announced he is considering the possibility of resigning, as he told President Ernesto Samper today. Consequently, the government has not yet decided on an eventual relief of the military high command or the reported appointment of Admiral Holdan Delgado, the current Navy commander, to replace Gen. Zuniga. This station talked with Admiral Delgado.

[Begin recording] [Delgado] [words indistinct] new things cannot be [words indistinct]. We have come to express our support for Gen. Zuniga as Armed Forces general commander. This is the truth. To state otherwise would be a distortion of reality.

[Reporter] Admiral, [words indistinct] this morning around Gen. Zuniga?

[Delgado] Gen. Zuniga, the Armed Forces, the president of the Republic, ministers of state. It is very honorable [words indistinct].

[Reporter] [words indistinct] determination to resign.

[Delgado] We came to express our support. I believe that whatever happens in the future will be a different thing. Let us live in the present. [end recording]

Navy Commander Admiral Delgado, Army Commander Harold Bedoya, Air Force Commander Gen. Hector Gil Nieto, and Gen. Ramon Eduardo Niebles Uzcategui met with President Samper for more than three hours tonight to establish this position.

Colombia: Defense Minister Views Support for Zuniga

PA2402064996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0431 GMT 24 Feb 96

[Telephone interview with Defense Minister Juan Carlos Esguerra by Dario Arizmendi in Santa Fe de Bogota — live]

[FBIS Translated Text] [Arizmendi] Attention please. It is 2331 in Colombia, and we have Defense Minister Dr. Juan Carlos Esguerra Portocarrero on the line. Minister, good evening.

[Esguerra] Good evening, Dario, how are you?

[Arizmendi] I am doing fine, thank you. It was initially stated that the meeting that had been convened at Narino Palace at 1900 with the president of the Republic was to discuss the national budget, but at 2240 it was announced that a news conference was held by the country's generals. What did you really talk about with the president?

[Esguerra] Look, we talked about various topics. The meeting had been scheduled, and its purpose was to review topics having to do with the budget, the way it will finally be adopted, especially in the areas of investment and operations. We took advantage of the opportunity to review other topics as well and to discuss them openly, spontaneously, and with sincerity. The high military command expressed its solidarity with the government, meaning with the president and the defense minister. Certain speculations that had been circulating in the various news media were cleared up in the minutes prior to the meeting. We expressed our support and solidarity with General Hernando Camilo Zuniga. We also expressed our total respect for the possible private reasons that may lead Gen. Zuniga to decide to retire, of which he had already spoken with the president late last year and which he had once again talked about recently. We talked about all those topics. We also talked about the unity of the high command and of the Armed Forces in this meeting. It was an open, sincere, and productive meeting.

[Arizmendi] Mr. Defense Minister, to talk a little bit more about the meeting and the extent of the decisions that were reached, could you please tell us who attended the meeting?

[Esguerra] Yes. Those attending the meeting were the president of the Republic; the commander of the Armed Forces; the chief of the Joint Staff; and the commanders of the various forces, meaning Army Commander General Harold Bedoya, Navy Commander Admiral Holdan Ovidio Delgado, and Air Force Commander Gen. Hernando Gil.

[Arizmendi] Why the solidarity with Armed Forces Commnader Zuniga Chaparro? Had there been some differences with him? Had he reiterated his intentions to leave his post, as had been announced in a television newscast last night?

[Esguerra] It was basically because of the statements that were carried by the television newscast and another series of speculations and reports that had been circulating during the day on that same topic, which even hinted that the government had made the decision to retire Gen. Zuniga and that outside pressures had been exerted on him, and so on. We reached the conclusion that we all had to convey our institutional and personal support to him, which he must naturally have and which he in fact has from the high command and the government. It is also clear that on many occasions he had

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been talking about strictly personal reasons when considering his stay in his post. We all reiterated our firm respect for those reasons and for the decisions that may subsequently be made.

[Arizmendi] Defense Minister Juan Carlos Esguerra, why did President Ernesto Samper not accept Zuniga's resignation in November or December of last year?

[Esguerra] The truth is that at the time, it was deemed that the personal reasons he gave had less weight than another series of considerations of an institutional nature having to do with his work inside the Armed Forces Command. After weighing all the circumstances and after balancing the pros and cons, the president's request to ask him to remain in his post finally prevailed.

[Arizmendi] Do those personal reasons, which Gen. Zuniga Chaparro is now reiterating, have anything to do with what is being said in the sense that the U.S. Government is thinking about denying him a visa to enter the United States?

[Esguerra] No. Those are speculations that have been circulating in the last few days. The truth is that Gen. Zuniga's personal reasons are so personal that not even I know what they are. He has said he has his own personal, private reasons, which we cannot meddle in, naturally.

[Arizmendi] Does the president know about these personal reasons?

[Esguerra] I do not know, but it is possible he does know them. I do not know.

[Arizmendi] Are they so powerful that he would have to resign, right at this time? That is what we can conclude following his statements in the news conference that was held at the Narino Palace a few minutes ago.

[Esguerra] That is a possibility, but I believe it is a decision he is considering, and I repeat, I do not want to interfere with his decision.

[Arizmendi] He did leave the possibility open in the sense that he would be willing to retire, perhaps after the weekend.

[Esguerra] That is a possibility.

[Arizmendi] If that possibility became a reality, what would be the solution the government would find in this crisis?

[Esguerra] I would have to answer you with the popular expression: tomorrow we shall see.

[Arizmendi] It was nevertheless made clear in the news conference that both Gen. Delgado as well as Gen. Ramon Eduardo Niebles, Joint Chiefs of Staff commander, would be willing to accept any offer if it were made.

[Esguerra] Yes, for various reasons, but the most important one of them is that they are career military officers; they are men of service, they are men who have spent their lives serving the fatherland, and they are willing to continue serving the country when called upon, regardless of the circumstances, the timing, and the conditions. It is the history of their lives.

[Arizmendi] What role might Army Commander General Harold Bedoya Pizarro play in this decision?

[Esguerra] In matters of this sort, we must consider everyone's views and positions, because, deep down, the high military leaders are only a group of human beings. In this regard, the government, the president, the defense minister, and the high military commanders constitute a team, a unified team that holds in agreement its plans, goals, and identities. Thus, we like to take into account everyone's views before adopting any decision.

[Arizmendi] Did you attend, from the beginning, the meeting held by all of the commanders, the general commander of the Armed Forces, and the commander of the Army with the president of the Republic? Were you there from the beginning until the end of the meeting?

[Esguerra] I was there throughout the meeting.

[Arizmendi] Were there any criticisms against you, your work, the way you have handled this situation?

[Esguerra] No. On the contrary, at one point, they said — even smiling — that on their way to the presidential palace, they had heard some rumors that there were grievances and misgivings with regard to the minister, and that this did not reflect the actual situation. We are working in the same manner that we have been working in from the beginning. They have been very kind to me. We have truly worked in a harmonious and integrated manner, with total honesty, with a determination to lead the country forward, and with a spirit to serve our people. We have not experienced any sort of difficulties.

[Arizmendi] Do you believe that some of us, that some of the people who saw or listened to the news conference from the Narino Palace, might have been left with the impression that there is no unity in the views or the leadership of the Colombian Armed Forces?

[Esguerra] No. On the contrary, there is a total agreement in the views and among the leaders.

[Arizmendi] Do you mean that at this time, there is no hesitancy or conflicting views regarding the political situation?

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[Esguerra] Absolutely not. Not from the institutional viewpoint and from the viewpoint that we all have a clear and absolute idea regarding the position, the mission of the Armed Forces, and the role they must play in the country to preserve its state of law and its democracy. In addition, in the current situation, there is no doubt whatsoever or conflicting criteria of any sort.

[Arizmendi] What was the role of President Samper in the development of this meeting?

[Esguerra] President Samper played the role he is expected to play as chief of state and chief of government. He clearly led the meeting and laid down its guidelines, stressing a series of plans of action, proposing the fundamental issues, and guiding — to put it this way — the meeting from beginning to end.

[Arizmendi] Did you feel comfortable throughout the meeting?

[Esguerra] As comfortable as I have felt since the first day I took office as defense minister.

[Arizmendi] Mr. Minister Juan Carlos Esguerra Portocarrero, how could we summarize what has happened in Colombia during the past few days and especially in the past few hours? General Camilo Hernando Zuniga Chaparro, the Colombian Armed Forces commander general, confirmed to the president what he had told him in November and December; that he wanted to leave the position for strictly personal reasons. Today, he repeats this and the president tells him that he disagrees?

[Esguerra] He reiterated his personal and institutional support to him, to the work he has been doing, and to the role he plays in the Armed Forces. At the same time, the president repeated that he respected Gen. Zuniga's personal and private reasons to consider such an action.

[Arizmendi] The president and the generals are willing to accept Gen. Zuniga Chaparro's reasons as of when? That is to say, was a deadline set for Gen. Chaparro to give his final decision? Was he predisposed to tomorrow, Saturday, Sunday, or Monday ? Mr. Minister, how long can this crisis be stalled?

[Esguerra] I believe that what fits here is the same thing an Englishman once said when he was presented with a very delicate problem on a Friday. He said: Goodness, why am I going to worry about this on Monday? [as heard] I have the feeling that this is what is going to happen here. That is to say, the lull that comes with the weekend, the hours of rest, reflection, and so on and so forth, will be used to study all the points, to take every issue into consideration, and to have the necessary spiritual peace to make the important decisions that we sometimes have to make in our lives.

[Arizmendi] As you have reported that the meeting was very frank, open, and direct, could you tell us if any objections were expressed to the way the president has been handling the institutional crisis?

[Esguerra] None. Quite the contrary, total support was given to the president's management, the way things are being handled, and the course taken to resolve this crisis.

[Arizmendi] Are the generals and the chief of staff slated to meet again tomorrow or Sunday?

[Esguerra] No, sir.

[Arizmendi] Then, how can a solution be reached in the next few hours?

[Esguerra] No, as I told you, once the weekend ends and the new week starts, we will probably have information on the final decisions made on this issue.

[Arizmendi] Speculating, do you believe one of the corps — the Army, for example — would be willing to accept that a member of another corps be promoted to commander of the Colombian Armed Forces?

[Esguerra] I know the institution and each of the officers personally, especially over the past few months. I know they are genuine officers. That is to say, they are true professionals, people who have clear principles, values, and who accept the rules of the game established in the Constitution, laws, and regulations, the principle of seniority, which is very important in the Armed Forces, and other considerations that are proper in the military world. They especially have total respect for institutional decisions. Thus, I am not concerned in any way regarding this specific point.

[Arizmendi] Can you assert, Mr. Minister, that there is and has not been any kind of external pressure exerted on the personal reasons of the Armed Forces commander?

[Esguerra] As far as I know, no, sir.

[Arizmendi] Are you completely at ease? Do you think the country can go to sleep and get up peacefully?

[Esguerra] I am going to do this and I believe I would be the first or second person to be worried about such an issue. So, I believe people will have no problem sleeping peacefully.

[Arizmendi] You did not hear any saber rattling at the Narino House today?

[Esguerra] No, No. Absolutely not.

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[Arizmendi] Minister Juan Carlos Esguerra Portocarrero, very kind of you to be with the Caracol audience at 2348 on this Friday night.

[Esguerra] Thank you very much, Dario.

Colombia: Top Commanders Meet With Samper at Palace

PA2402004696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2355 GMT 23 Feb 96

[FBIS Translated Text] Radio Caracol has just learned from an official source that the top commanders of the Armed Forces, headed by Armed Forces Commander Hernando Camilo Zuniga Chaparro, arrived at Narino Palace a few minutes ago and are holding a meeting with President Ernesto Samper Pizano. We have not yet been able to determine the reason for this unexpected meeting at the Narino Palace between the top commanders and the head of state.

Attending the meeting are Gen. Zuniga Chaparro, Navy Commander Holdan Ovidio Delgado, Air Force Commander Hector Gil Nieto, and Army Commander Harold Bedoya Pizarro, and Gen. Ramon Eduardo Niebles Uzcategui, head of the joint chiefs of staff. We do not know what issue the top commanders and President Samper Pizano are currently discussing.

Colombia: President Interviewed on Crisis, Death Penalty

PA2302233196 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1230 GMT 23 Feb 96

[Interview with President Ernesto Samper by Juan Gossain, Carlos Alberto Chica, and Fernando Gonzalez Pacheco; from the "RCN 7:30" newscast; broadcast in progress — live]

[FBIS Translated Text] [Station announcer] President Ernesto Samper is already replying to Juan Gossain and our director Carlos Alberto Chica.

[Samper] ...we attended all ceremonies in which funds were collected. I think that it is curious that people are surprised that a candidate is present at an event in which funds are collected publicly. Quite the contrary, this precisely indicates that I had reached no secret agreement or was collecting funds secretly. I collected them as any candidate has; at public events, dinners, cocktails, and raffles in which people made their contributions. Whether this man, whom I did not and do not know, attended an event of over 120 persons is obviously an absolutely fortuitous situation that escaped my control.

[Gossain] But, nobody in your campaign, nobody who organized the banquet realized that a man purchased banquet tickets worth 100 million pesos and nobody wondered who was him?

[Samper] Precisely that is the point that should be investigated now. There is much confusion about this. Some say that this man was not in attendance; his manager said this and I learned this through the media. Others claim he was there. The truth is that I cannot say. I think, of course, that it is indispensable to investigate this.

[Gossain] President, excuse me one second, because common citizens, but also the country's leaders want to make questions. Julio Nieto has a special guest in this RCN program with the president of the Republic called The People Ask and the President Answers.

[Nieto] Mr. President, Dr. Sabas Pretelt, president of the National Federation of Businessmen, Fenalco, will ask you a question. Dr. Pretelt, good morning.

[Pretelt] Good morning.

[Nieto] The president is listening.

[Pretelt] Good morning, Mr. President.

[Samper] Good morning, Sabas.

[Pretelt] President, Colombia is experiencing marked choices. We have a country with a bright future, but for many years it has been in the middle of a whirlwind of indiscriminate violence, guerrillas, kidnappings, gigantic contraband, social anguish, infrastructure deficiencies, setbacks in our international relations, but we also have great opportunities. In order to tackle those problems, President, you are there to lead to change and to advance such a formidable task.

Unfortunately, however, the president is facing criminal charges filed by the prosecutor general of the nation, accusations from his closest aides, and so on. I would say that a deluge of difficulties, and in order to overcome them, you are forced to defend yourself with all the vigor and intelligence that God gave you and to dedicate 24 hours of the day to this effort.

My specific question is then: Mr. President, if the Accusations Committee requires two months or more to conduct the investigation, why don't you ask for leave, perhaps 60 or 90 days, and during this period, you can defend yourself properly. In the meantime, someone with constitutional rights and your support, someone who has the country's trust, can assume the delicate tasks of governing and can prevent the lives of some many Colombians from being disrupted.

[Announcer] Sabas Pretelt de la Vega, president of Fenalco, here is President Samper directly from the RCN studios.

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[Samper] First of all, I want to thank you for your question as it gives me the chance to explain a few things. Over the past six months — as you all know — a series of accusations were presented to the Accusations Committee of the Chamber of Representatives. I said categorically that I was willing to answer all and each one of the charges filed against me back then just as I am now willing to continue doing this, in light of the evidence that has been submitted to Congress. I am determined to do this because I am convinced that we must find an institutional solution to this crisis we are facing. First of all, an institutional solution entails that the judges must be responsible for judging, the prosecutors for investigating, and it also entails that the due process of those of us who are currently trying to prove our innocence, as well as the presumption of innocence, and the free controversy of evidence must be respected. In the past six months, I was able to do this through a defense attorney, and I can assure the country that I have not taken one single minute from my responsibilities as president of the Republic to take care of the agenda of my personal defense. I will never do this. If I ever consider that this case is taking an hour, a minute, or even a second away from my responsibilities to lead the country and help it move forward, you can rest assured that I would be the first one to acknowledge it and somehow, I would come up with a formula that enables the country to be properly governed.

Thus far, what we have is a series of charges that have been presented. I can assure you that many of the charges that have already been made public and have been submitted to the Accusations Committee have already been resolved, tried, and decided upon by the Accusations Committee itself during a recent proceeding.

We are currently analyzing these charges; we are analyzing the strategies through which we will prove them wrong. I would be irresponsible — as any head of state would be — if in light of the simple filing of certain charges, which, I repeat, I believe are not guilty charges, but charges that could be fully explained and charges that could be proven groundless, one would simply and plainly start running away and request a type of constitutional vacation to engage in one's defense. However, I can assure you that when I would consciously believe that my defense is taking time away from my government duties, I would facilitate any formula that would allow the country to keep on being governed. For the time being, as I have clearly and bluntly proven in the last few weeks, I will continue with my government responsibilities. The ministers will continue heading their offices, and the country can rest assure that we are guarding Narino Palace.

[Gossain] Mr. President, on behalf of everybody, look at this list. I have been told that there are people in Barranquilla, Cali, Miami, New York, Santa Fe de Bogota, Medellin, everywhere, who want to ask questions. With due respect, could I ask you to be briefer?

[Samper] No, I believe that after I respond to three or four questions, we could later answer the ones you have.

[Gossain] [laughs]

[Chica] Mr. President, with your permission, we will now go to Barranquilla streets.

[Gossain] Let the people ask.

[Chica] Mabel Morales has some questions from Barranquilla residents.

[Unidentified female reporter] It is 0721 hours. Later, we will return to the RCN studios, where President Samper is granting an exclusive interview to Gossain and Chica. Meanwhile, let us go to other reports. [station breaks for commercials]

[Female reporter, broadcast in progress] ...colleagues from RCN Radio, who are now with President Dr. Ernesto Samper Pizano.

[Gonzalez Pacheco] Good morning. Good day, Juan.

[Gossain] We now have Pacheco on television. Good morning.

[Gonzalez Pacheco] How are you? I see you are in good company.

[Gossain] That is right. The people will make questions and the president will answer, Pacheco.

[Gonzalez Pacheco] Do you allow me to ask one question to the president?

[Gossain] Now you have made me nervous like every morning.

[Gonzalez Pacheco] Good morning, Mr. President.

[Samper] Good morning, Pacheco.

[Gonzalez Pacheco] Mr. President, I will ask you two related questions very quickly. First, it has been rumored that the relations of U.S. Government officials with the Colombian ambassador are not good. It has been said that to receive the officials going there, they have put as a condition that the ambassador doesn't go.

The second question is very straightforward and it has a human nature. Have you ever regretted the fact of going into the trouble of becoming president of Colombia? Thank you, Mr. President.

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[Samper] With regard to the first question, Pacheco, these rumors are absolutely false. Ambassador Carlos Lleras is carrying out an excellent function at the helm of the Embassy in Washington. He has fulfilled his agenda in a tireless manner. He is a tireless worker and I am very pleased he was able to represent the interests of Colombia at this moment of difficulty.

Regarding your second question, I sometimes wonder about it, not only because of this case, like you mentioned, but because of everything else. Regrettably, the president of Colombia is responsible for everything that happens. If a coconut falls off a tree and injures someone in San Andres, it is the responsibility of the president of Colombia.

[Gonzalez Pacheco] Mr. President, with Juan's and the people at RCN Radio's permission, from the streets of Bogota there are questions for you. There we have reported Jairo Gomez. Go ahead, Jairo:

[Gomez] Good morning. We continue with this radio and television special with President Samper listening to the citizens' questions. Mr. Ricardo Martinez, what is your question at this time for the head of state, who is listening to you and seeing you at this moment.

[Martinez] I would clearly ask the president: What is the fastest solution you see to this problem in the country?

[Samper] A very easy one. First, Congress must issue a pronouncement on the conduct of the president and second, all Colombians must find ways that will allow us to maintain governability in Colombia.

[Gonzalez Pacheco] Go ahead, Juan. Thank you very much.

[Gossain] Thank you Pacheco. RCN Radio and Television broadcasting in network; this is one single family and we are all united. We are also broadcasting live from our radio studio RCN 7:30 news magazine. Mr. President, Julio Nieto is raising his hand. Pilar also wishes to ask a question. Wait a minute! Tarazona, who is ready at this time?

[Tarazona] Yes, sir. Let us go to the streets of Cali, Jair Lenis.

[Gossain] Can Jair wait a minute. Let us go first to the question of Pilar Castano for the president at the radio studios.

[Castano] Mr. President, good morning. What the country is obviously confused about is whether or not there was drug money in your campaign? In the runoff election, Mr. President, when allegedly money was short, would 3 billion less pesos have given the victory to candidate Samper?

[Samper] This is yet to be established. I am also distressed — I want to state it publicly — and annoyed. I have been the first annoyed, distressed, saddened person that these events took place in my campaign. That is why I have said I am not only interested in clarifying this, but in pursuing and punishing those responsible. Now, whether or not this would have changed the results of the elections I believe that assumption would have to be analyzed carefully and calmly.

[Gossain] Julio Nieto. You rightfully said when we arrived here this morning that when the president arrived you wanted to bring up the subject of the Full Stop Law [Ley de Punto Final]; a proposal that is being widely made in the media.

[Nieto] Yes. Mr. President. I do not know if you are closing the doors to the full stop proposal because you have noted that in a due process you must be judged before considering the theories of governability. In reality, what is your opinion of the full stop concept, of pardoning and forgetting all this terrible political process we have gone through.

[Samper] The government is not going to present a full stop proposal. Should there be a consensus around this law, the government would support it, but with one condition: A Full Stop Law should not be viewed as a way to solve the problem of individual behavior, of a few individual behaviors. A Full Stop Law would have to be created within a collective purpose, which would be putting an end once and for all in Colombia to the effects that drug trafficking and 15 years of living with drug trafficking have caused. I have said and I want to repeat here in RCN that I am carrying a cross that is not mine. I have been forced to carry a cross that represents everything it has meant for the country to live with drug trafficking by action, omission, fear, or ambition. The situation affecting me is not new in Colombian society, it has been constantly present during the past 15 years. If after recognizing this fact the Colombian society decides to repent and honestly rectify, in order to eliminate the corrupting influence of drug trafficking not only in political, but also in economic, social, cultural, and recreational activities, I would consider valid the proposal of a full stop law.

[Gossain] Isn't that a way of saying no to the Full Stop Law?

[Samper] No, Juan. What I want to say is that we should not create a law that will only solve the problem of eight of 15 individuals. That will not introduce us into a new society. What we need is for this country to really engage in an act of collective reflection on how drug trafficking has affected its political and social life. Based on that collective reflection, which does not have

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to be self-destructive, but a reflection that will really make us look forward to a better future, we can think of solutions as the Full Stop Law, or regulations to prevent more infiltration of money from drug trafficking in other activities, such as recreational activities, or certain activities which have been influenced by drug trafficking for many years.

[Gossain] The Full Stop Law has been mentioned in Congress and everywhere: in newspapers, radio, television, social circles. I want to emphasize this: It has been said that it would not be pardoning and forgetting. No. On the contrary, it would entail sentence and punishment. What kind of law would it be? Would it say for example that congressmen implicated in the Case 8,000 who accepted the benefit of this law and confessed before a judge would lose their political rights. In other words, they could not be elected or appointed in government positions in the future. For those not accepting the benefit, the investigation would continue, and if they are found guilty at the end, they would not only lose their political rights, but would also be sent to jail. Would you accept that Full Stop Law? Sincerely, have you thought of receiving the benefit of such a law? Some people are saying that the president is considering that possibility.

[Samper] I would never negotiate my innocence. Never. Regarding the law itself, as I said, I refuse to analyze this topic separately from what would have to be an act of collective reflection. Colombians are very simplistic and prone to seek easy solutions to problems. I do not think this is simply a matter of believing that by approving this law everything will be solved magically. The drug trafficking problem did not begin with my government. The guerrilla problem did not begin with my government. The poverty problem did not begin on 7 August 1994, and will not be solved as I said to Juan Manuel Santos with Samper saying: Well, I am leaving, so that everybody here can be rich, to put an end to subversive activities, and drug trafficking. No. We must solve this through a collective effort, which would include formulas as the one you mentioned. [station breaks for commercials]

[Samper, in progress] ...crimes as kidnappings, massacres, or murder of defenseless people.

As President, I cannot tolerate that the Colombian people continue to accept this criminal behavior of people who reserve the right to kill innocent people cruelly and mercilessly, a behavior that deserves social rejection through a measure that could be the death penalty.

[Gossain] By the way, Mr. President, death penalty is the subject on which more fax messages have arrived at RCN this morning. Here is one more, which reads: Mr. President: Your death penalty proposal is a shovelful of dirt to cover for the scandal that the administration of justice is uncovering through Case 8,000. Signed: Oscar Ortiz Gonzalez of the Citizens' Action Movement. He includes a telephone number.

[Samper] It is precisely Case 8,000 which constitutes a shovelful of dirt and a smoke screen regarding what is happening in the country. I am surprised to see some media devoted to broadcasting Case 8,000 live and direct as if the country did not have any other problems. I am not saying this process is not important. But, who has been informed on joblessness in the country, worried over the crimes perpetrated in cities, or concerned over the situation in some parts of the Atlantic zone, in particular regarding problems like floods? I think it should be the other way around. Let judges judge. Let the process go forward and take place normally. Let us do what the government and the president of the Republic are doing, governing and complying with the program for which the Colombian people elected me.

[Gossain] Here I have a letter from Dr. Gloria Gaitan. Do you know her?

[Samper] Of course.

[Gossain] She was a presidential hopeful and is the director of the Jorge Eliecer Gaitan Foundation. She sent this fax message. Mr. President: What would have happened to Alberto Juvis Hasboun, who was accused of Galan's assassination but was proven innocent, if the death penalty had existed? Signed Gloria Gaitan, ID card number 20-1-44757 of Santa Fe de Bogota.

[Samper] He would surely have been declared innocent before being sentenced. And he was indeed declared innocent. No one here is talking about a death sentence without trial. But a death sentence without trial is what is being executed on innocent people, who are being massacred, kidnapped, and assassinated, without their being guilty or tried. The idea is precisely to hold a trial with all proper proceedings and guarantees. What I want to do is open the society's eyes so it cannot go on ignoring problems so sensitive as massacres or assassinations of defenseless people.

Colombia: Samper Attorney on Valdivieso 'Interference'

PA2302195696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 23 Feb 96

[Telephone interview with Dr. Luis Guillermo Nieto Roa, attorney for President Ernesto Samper, by news director Dario Arizmendi, reporter Judith Sarmiento, and

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unidentified reporter; place not given; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] We greet Dr. Luis Guillermo Nieto Roa, attorney for President Ernesto Samper Pizano. Good morning, Dr. Nieto.

[Nieto] Good morning, Dario. How are you?

[Arizmendi] Well, sir. You stated in a news conference yesterday at Narino Palace that when the prosecutor general gave his statements, first on Caracol Network precisely at this time of the morning, praising a proposal by EL ESPECTADOR newspaper to move ahead the presidential elections, that this is meddling in politics.

[Nieto] Yes, not only because of that. I said that this is one of the many cases that causes me great concern, because it shows an attitude by the prosecutor general that does not match the great responsibility he must bear. In addition to being a very obvious intervention in politics, it is causing an increased wave of opinion against the president, so as to force a political resignation. I have said that when all these events are examined together, the conclusion is that the prosecutor general's political intention, if this political intention were to be successful, is to cause the election of a new president due to President Samper's withdrawal. This is what I find unacceptable, and this is why I have denounced it.

[Reporter] What is the actual political intention that you mention, Dr. Nieto?

[Nieto] I repeat, a wave of adverse opinion against the president is being created — a wave that demands that the president resign. The political result of that wave would naturally be not to await the outcome of the trial in Congress but force the president to withdraw from office early. I have stressed that this is taking place with a view that the trial is going to favor the president and they [not further identified] do not want to await the outcome, instead, they want to step up that adverse opinion to see if they can get the president to resign before his trial. It is an innately political intention — clashing with the legal process — that Colombia, especially the prosecutor general, should defend against.

[Reporter] Speaking crudely, the prosecutor general wants to overthrow the president legally or politically in order to gain a presidential candidacy for himself, Valdivieso?

[Nieto] I do not want to speculate on whether he wants a candidacy for himself or not. My role is not political, my role is a legal one, and what I intend to do is to denounce the fact that political attitudes tend to stifle legal actions by Congress. Therefore, as I am the president's defense attorney, I have to denounce this. In addition, I am becoming more and more confident with the legal case as I go along rebuilding, thanks to the media, both the report as well as the annexes. I believe that from the legal point of view the debate in Congress will demonstrate the president's innocence. But, perhaps precisely because of this, attempts are taking place to cause a political effect — the president's resignation — before the trial.

[Sarmiento] Yes. But as it is no longer the prosecutor general who investigates the president or who knows details of the case against him, what will be your course, as a lawyer, against the prosecutor general? In other words, in addition to this public denunciation, will you report this before the Attorney General's Office?

[Nieto] Not really. We cannot handle this with everyone reporting on everyone else. What I have asked — and have had to do so publicly because I have already done so in writing to the prosecutor general and have not received a reply — is for the prosecutor general to realize the great responsibility he has. Not only because he is at the helm of the organization that the Constitution tasks with laying down the basis of what a trial is to be, but in addition, because he has enjoyed much credibility. Consequently, his attitudes have much effect. I have publicly requested the prosecutor general — I also plan to write to him again today — to be as prudent as possible. Hopefully, just as it happens everywhere, because he heads a legal institution, he should not interfere in subjects that are no longer his province; thus, he should help the country calmly carry out this legal process. What I have also said is that I believe the prosecutor general should take note — I have not said investigate the case, I have said take note — of what is taking place. Later, not right now, because we need to get through with this legal case, deal with the controversial legal behavior of several public officials.

[Arizmendi] Mr. Nieto, is it justified, from a legal standpoint, to maintain the confidentiality of the case proceedings, when the entire text of the document presented to the Accusations Committee has been made public? The charges, for example, appear in today's EL TIEMPO daily.

[Nieto] No, it is no longer justified. I have said it before. From a legal standpoint, it should be confidential. But we are dealing with a politically motivated incident that has caused the violation of secrecy. It was violated by the authorities, whose main duty was to safeguard it. Political harm is being inflicted on the president by insisting on maintaining the confidentiality, because the entire text of the charges was not published in the newspapers until today. The annexes were not

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published, because it would have been impossible to include them. We are talking about 2000 pages.

Over the past 10 days, we have been hearing about charges that were drafted by the prosecutor general, which is precisely one of the things I am complaining about. The prosecutor general's duty is not to accuse the president. He cannot reach any conclusions in the charges he is filing against the president. He can request the Accusations Committee for an investigation and gather up the evidence that will give way to a request for an investigation, but the text of the charges was drafted in precisely that manner and the Colombian people can see it for themselves. It was drafted in such a way that the prosecutor general takes on the role of judge and reaches the verdict that the president is guilty. It is then leaked the way it was drafted.

I have stated before that I have a well-founded fear that the [words indistinct] of the prosecutor general's Office is involved in leaking information. The country, then, begins to form an opinion about the president's guilt and the idea grows on people that the president is, in fact, guilty in order to produce a political fallout. Simultaneously, and I have included it in my public complaint, Valdivieso has stated his theory that the National Congress is not apt to judge the president and casts doubts on the results of the trial that will favor the president, because I believe the results will be favorable. He tops it off by sticking to the idea that elections for a new president should be called for immediately.

[Reporter] Excuse me, Mr. Nieto. According to legal theory, the prosecutor general should not make judgments. This has been said repeatedly. Valdivieso's reported statements, however, and the charges included in his report to the Accusations Committee, judge the president openly. It would be clear to any citizen familiar with legal matters that Valdivieso is making accusations. Am I wrong?

[Nieto] No, it is obvious. That is why I have said that Valdivieso drafted the text of the charges in violation of his constitutional and legal duties. He has drafted the charges in a way that would lead one to reach a guilty verdict. Valdivieso has practically tried and sentenced Samper in advance. He has ruled by saying that Samper is guilty even if he is not currently suggesting or imposing any punishment. But he is drafting, and, I repeat, we have already seen him [word indistinct] these past days.

The entire text of the charges are there for the Colombian people to see. I am not saying anything based on misinterpretations. The text of Valdivieso's charges conclude that the president is guilty. The investigations have not yet begun. They are barely getting under way in the Accusations Committee. It worries me deeply that Valdivieso is allowing the leaks.

For the past 10 days, we have had a new daily, quote, reference, unquote, accusing the president as if the prosecutor general had already handed down a guilty sentence. Today, most Colombians are convinced that Valdivieso has reached a guilty verdict.

[Reporter] Mr. Nieto, in conclusion, is it obvious that Valdivieso openly wants to overthrow Samper?

[Nieto] If you study everything that has happened, I dare say that Valdivieso is involved in something — it could be unknowingly or without his real intention — I do not want to just judge the motive. I would like to give everybody the benefit of the doubt, and that is why I would like for all of us to behave with great serenity and wisdom.

[Arizmendi] What is he involved in?

[Nieto] He is involved in influencing public opinion. He is helping to fuel that wave of public opinion that wants the president to be compelled to resign.

[Reporter] But he could be doing so in an unknowing or naive manner. Could Valdivieso, a man with his resume, his position, and his responsibilities, unknowingly lead a huge campaign to overthrow the president?

[Nieto] I repeat, I dare not judge his intentions. I just want to expose certain incidents. Whether it is his intention or not, these incidents are producing a result that cannot, not even remotely, be backed by [words indistinct].

Colombia: Ex-Campaigner for Samper Testifies Before CNE

PA2302182496 Santa Fe de Bogota EL TIEMPO in Spanish 23 Feb 96

[Received via Internet]

[FBIS Translated Text] Juan Manuel Avella, former manager of the Samper for President campaign and right-hand man of former campaign director general Fernando Botero Zea, was the first to testify yesterday before the National Electoral Council (CNE), which is trying to establish the reasons why this political group broke the expenditure ceiling specified by law.

For seven uninterrupted hours Avella spoke freely at the Meetings Room of the CNE Presidency about how proselytizing efforts were handled in terms of its finances and accounting.

The former Liberal campaign administrative director said he is innocent of any violations that could have

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taken place in the handling of accounts that led to expenditures that surpassed by more than 2.4 billion pesos the limit established by electoral authorities.

One question made by the investigative commission headed by Magistrates Alfonso Guzman Guzman and Carlos Ariel Sanchez and lawyers Jose Ignacio Cordoba and Jose Maria Sarmiento really captured the attention. It pertained to the disappearance of at least 50 expenditure vouchers that were not registered in the accounting books that the Liberal campaign forwarded to the CNE and later to the Prosecutor General's Office.

Juan Manuel Avella, who has been detained at the Modelo Prison since 30 September 1995, arrived in CNE offices at about 0930 in the company of about 20 heavily armed prison guards.

He was wearing a dark suit and tie, and as has been the case since first summoned to testify before the Prosecutor General's Office and later before the Chamber of Representatives' Accusations Committee, Avella refused to speak to the media.

Besides Botero, the CNE expects to hear the testimony of other important leaders of Samper's campaign including former campaign Treasurer Santiago Medina and President Ernesto Samper Pizano himself.

Colombia: Foreign Minister Interviewed

PA2302154296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 23 Feb 96

[Telephone interview with Foreign Minister Rodrigo Pardo by Dario Arizmendi, Guillermo Rodriguez, and Judith Sarmiento; place not given; from the "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] We have Colombian Foreign Minister Dr. Rodrigo Pardo Garcia-Pena on the line. Mr. Foreign Minister, good morning.

[Pardo] Good morning, Dario; how are you?

[Arizmendi] There has been much speculation around an alleged statement by the Costa Rican foreign minister that his country would be willing to grant asylum to Mr. President Ernesto Samper Pizano should he step down as president.

[Pardo] Dario, the truth is that I know little about this. I read the statements by Costa Rican Foreign Minister Dr. Fernando Naranjo in the newspapers yesterday. Obviously, Colombia has made no request or proposal in this direction. I am under the impression that a question was posed to the foreign minister, and he, in an attempt to be kind said that President Samper would always be welcome to Costa Rica, but his statement was interpreted in the way that it was. Obviously, however, this is not something that was proposed or requested, or that the two governments discussed.

[Rodriguez] Mr. Minister, given that the inter-American treaty on the death penalty will have to be eventually rejected at the international level, will the Colombian Foreign Ministry take any initiative, and do you agree with the death penalty or with a debate on this issue?

[Pardo] Guillermo, when the president proposed a debate on the death penalty, he asked the Foreign Ministry to study the international consequences that this would have and on the kinds of initiatives that you mentioned and that would have to be taken. Colombia is part of the Inter-American Convention on Human Rights of the San Jose Pact that bans the death penalty. We would have to reject this instrument, and obviously, we would have to renounce to many of the aspects contained in this inter-American convention on human rights.

Colombia is also a member of the treaty... [pauses] of the civilian and political rights pact that is a comprehensive multilateral treaty signed at the United Nations that also contains rules on basic human rights in many areas, not only on the death penalty. Finally, not long ago we signed a protocol of the civilian and political pact banning the death penalty that we presented to Congress during this legislature. It is now in the Senate Second Committee and we would have to withdraw it.

From an international perspective, I would not think that it would be advisable to change Colombia's position against the death penalty, because this would have very serious consequences in terms of limiting international commitments and instruments to defend human rights.

[Arizmendi] If this were so, one wonders why the Foreign Ministry did not carry out an investigation, study, or analysis before the president of the Republic made this proposal to the prosecutor general over the Caracol network yesterday in a hasty manner; before this was shouted from the rooftops?

[Pardo] I think, Dario, that the president's statements should be viewed as a debate; as a search for a better instrument to fight against crimes that also violate human rights. In this regard, the president made a very valid and useful proposal to the country. The truth is that the improvement of the government's ability to punish crimes such as kidnapping and massacres also seeks to protect human rights, because the human rights of those killed in massacres and those who are kidnapped are also violated.

[Arizmendi] But remember, Mr. Minister, that Colombian law — and this was declared constitutional by the Constitutional Court — includes a 60-year sentence for

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certain atrocious crimes, including kidnapping. In practice, is a 60-year prison sentence not tantamount to the civilian death of a citizen?

[Pardo] Dario, that depends considerably on the age of the person involved and on the sentences that are usually served. I remind you that since last year the government of President Samper has studied initiatives to increase sentences for certain crimes, including drug trafficking and money laundering. Moreover, late last year... [pauses] during the second half of 1995 the government drafted an internal disturbance decree to increase sentences for certain crimes.

However, we reached the conclusion that we could not increase the sentences of certain crimes without making a general revision to the Penal Code that would make these new sentences compatible with the sentences of other crimes. We have been studying this issue. What I want to say is that there really is a very valid concern about making certain sentences for certain crimes more drastic, and as part of the instruments our justice needs to strengthen itself to be able to punish those who commit crimes.

[Arizmendi] From a conceptual, ideological, philosophical, and political standpoint, do you personally agree with the implementation of the death penalty?

[Pardo] [Words indistinct] I have always opposed the death penalty. I have always been a militant opponent of the death penalty. As a minister of President Samper, I agree with his idea of holding a debate; a debate that must be inspired by the search for better instruments to fight against these crimes.

[Sarmiento] It gives us the impression, Mr. Minister, that the chief of state took his closest aides by surprise, judging by what you just said and by what Interior Minister Serpa said yesterday. Serpa has also opposed the death penalty, even though he believes that it is valid as a topic of debate.

[Pardo] That is somewhat true, but it can be explained, Judith, because the president obviously makes proposals and works with the people who have to do directly with this issue. The truth is that, from an international standpoint, there is a connection [not further identified], which are the treaties I just mentioned. However, this is an issue that has to do more with, I do not know, legal aspects that concern the Foreign Ministry in a very essential manner.

[Arizmendi] As we are dealing with the consequences that could stem from the compliance with a number of treaties that Colombia has signed, was it not worth it to consult such an issue of large international connotations with the Foreign Relations Advisory Commission?

[Pardo] The president has urged a debate, and from this standpoint, Dario, I believe that there is a possibility of making a consultation on what will be the mechanisms these treaties have for their eventual report [denuncia], because not all treaties contemplate the same manners to file a report. Some of them do not even contemplate them at all. The Vienna Convention on international treaties is applied here. It in turn does explain how a state can renounce to the international commitments it has made. However, as soon as the president made his proposal in Villavicencio, he summoned us at the Foreign Ministry to ask to conduct a legal study, which we are conducting now.

[Rodriguez] Mr. Minister, let us address the issue of the so-called certification. There are two approaches: the one by the private sector, which is working hard, and the other by National Police Director General Rosso Jose Serrano, who has connections with exclusive circles at the Department of State, Justice Department, and others. As the Foreign Ministry has lent logistic aid to all of this affair, what do we know about this certification? What is known about this business, Mr. Foreign Minister?

[Pardo] The truth, Guillermo, is that we know that this business is going along well. We have contacts at different levels with the U.S. administration. These contacts are smooth and allow us to hold talks. It seems to me that President Clinton's government is very clear that Colombian society, regardless of political divisions or the political crisis we are experiencing, virtually has a single position on the certification issue. We have a strong argument to get the certification: the results of the fight against drug trafficking in 1995 and the results of the Colombian-U.S. cooperation in the fight against drug trafficking in 1995. I do not know if you have noticed, for instance, that the statement President Clinton mentioned in his speech to the United Nations that his government has had a major success in the fight against drug trafficking along with Colombian authorities has been a statement that he repeated recently in his first speeches for the election campaign. So what is significant about all of the reality in 1995 and all the political reality we are living is that Colombian be certified.

[Arizmendi] A last question and thank you for this talk with Caracol's 0600 to 0900 newscast. Are you leaving or are you staying?

[Pardo] No, I am obviously staying, Dario. I was asked if I has thought about resigning. When I said yes, it was because the act of being part of a government is not a mechanical act; it is a very conscious act. I have made commitments with President Samper and with this political project. In addition, I believe that

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even though I have a responsibility in the outcome of the political crisis we are experiencing, it is something that perhaps I was not prepared for, nor is it something I sought when I accepted this post. However, it is a reality that exists, and as I am part of the cabinet, I believe that it is a reality we cannot ignore. I believe that the responsibilities I have as foreign minister are very large and very significant. I am certainly willing to assume them.

[Arizmendi] Will you then remain in the cabinet during this crisis until the latest consequences?

[Pardo] Of course, Dario. I will remain in the cabinet until President Samper says so.

[Arizmendi] What will make you resign, Mr. Minister?

[Pardo] Only a request from President Samper.

[Arizmendi] How do you see the proposal made yesterday by EL ESPECTADOR newspaper, somehow supported by the prosecutor general, in the sense that it is convenient and appropriate way to discuss the possibility to advance presidential elections?

[Pardo] I very much agree with the statements made by President Samper in Congress, when he opened the special legislative session. At the time, he said that once the juridical process the Accusations Commission is carrying out is settled, he would be willing to seek governability formulas, formulas to legitimate the electoral period, or, in general, governability formulas. He that mentioned as one of those alternatives the possibility to hold a referendum.

I believe this formula should be studied, and the very President said yesterday it cannot be ruled out. The important thing is that we think about the country's governability, what is best for Colombia in the long term, and what are the best options to resolve the real problems behind all this. These problems are not temporary in nature, but rather involve a serious structural crisis generated by the infiltration of drug money in several aspects of national life.

[Arizmendi] This has been the foreign minister of Colombia on Quarter of Hour Caracol. We wish you success on your mission and your meeting with your Jamaican colleague. Have a safe trip to San Andres, where you are bound, Mr. Foreign Minister.

Colombia: Prosecutor Sees 'Significant Progress' on Drugs

PA2302181596 Santa Fe de Bogota EL TIEMPO in Spanish 22 Feb 96

["Text" of letter sent by Prosecutor General Alfonso Valdivieso to U.S. Ambassador Myles Frechette in Santa Fe de Bogota on 20 February — received via Internet]

[FBIS Translated Text] Santa Fe de Bogota, D.C., 20 February 1996.

Letter FGN-0001-

Mr. Myles R.R. Frechette

Ambassador of the United States

Mr. Ambassador:

I write this letter to you on the occasion of the ongoing process in the United States to assess the actions of several countries, including Colombia, concerning their performance against illicit drug trafficking.

With regard to the Prosecutor General's Office, which exercises criminal investigation duties, I am able to highlight the following important aspects involving the activity of the institution during 1995:

1. Significant progress in the processes against the highest- ranking members of drug trafficking organizations.

2. Action aimed at confronting the critical phenomenon of relations between drug trafficking and different sectors of national life.

3. Creation of a group specialized in pursuing properties acquired in illicit activities involving drug trafficking.

4. Coordinated work with government organizations and the Banking Association to guarantee that the financial system becomes an instrument against the production and trafficking of narcotics.

5. Participation in the efforts aimed at judicially confronting the so-called laundering of assets.

6. Permanent effort to exert control of the leadership of the Judicial Police, particularly through the coordination of the Judicial Police National Council, which includes the police, DAS [Administrative Department of Security], the Attorney General's Office, and the Comptroller General's Office, among others.

7. Participation in academic forums related to the phenomenon and its different aspects.

Meanwhile, I must state that for the Prosecutor General's Office, it is absolutely clear that with regard to the issue in question, Colombian society has been showing very encouraging signs, which allow us to guarantee a decided, all-out action to significantly reduce and, in the near future, eradicate this phenomenon. Never before in Colombia has a more favorable atmosphere existed to multiply our efforts and to act in a consistent manner —

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recovering a large part of the time lost during the two preceding decades — in the effective struggle against organized crime.

The institutions have responded in an encouraging manner under the current situation, and this gives us great optimism over the prospects Colombia has to abandon its regrettable key role in this area, which has meant a real drawback in our political, economic, and social development.

For Colombia, the cooperation provided by your country in diverse areas will continue to be very important, particularly the judicial cooperation, which has resulted in a vital contribution to the criminal investigation.

I thank you for relaying, whenever you deem it expedient, the contents of this letter to those who may appreciate it as evidence of how much progress has been made in the judicial investigation process amid the complex Colombian reality.

Cordially Yours,

Alfonso Valdivieso Sarmiento, prosecutor general of the Republic.

Colombia: Agrarian Fund President Resigns

PA2502202396 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 25 Feb 96

[From "The Midday Newscast"]

[FBIS Translated Excerpt] The Agrarian Fund crisis has become more acute. Agrarian Fund President Carlos Gustavo Cano resigned a few hours ago.

This resignation took place in the past few hours. In the letter Cano sent to President Ernesto Samper announcing his resignation he states: By means of this letter I am presenting my irrevocable resignation as president of the Agrarian Fund. The only reasons for my decision are the essential differences that exist between myself and important state officials mediating in the ongoing labor negotiations, especially on the procedures and contents of the agenda: the refusal of the labor and social security minister to convoke an arbitration tribunal whose decisions would be of obligatory compliance — a tribunal I requested on 8 February to resolve the conflict that the parties were unable to resolve during the direct-negotiations phase that concluded on 3 February — and to his refusal to take a stand on the legality or illegality of the strike currently affecting the banking institution. [passage omitted]

Colombia: Documents Show FARC Ties to Drug Traffic

96SM0110A Santa Fe de Bogota SEMANA in Spanish 13 Feb 96 pp 34-36

[Unattributed article: "Tirofijo's Cartel"]

[FBIS Translated Text] On Friday 16 June 1995, the XV Front of the FARC [Revolutionary Armed Forces of Colombia], which operates in Caqueta Department, went to a ranch on Galicias Road—in the municipality of El Paujil—where it kidnapped a Liberal Party member of the Chamber of Deputies, Rodrigo Turbay Cote. The subversives sent two communications to Turbay Cote's family in which they set forth the reasons for the kidnapping, beginning with the statement that it had been motivated exclusively by political considerations. As the days passed, however, they decided to give the kidnapping a new interpretation by asserting that it had been carried out for the purpose of obtaining "financial contributions to the revolutionary cause."

The authorities subsequently received little information concerning the activities of this armed group. Last week, however, the XV Front of the FARC was back in the news, because the Army had dealt it a severe blow. Soldiers of the 12th Brigade of the Army put 14 guerrilla fighters out of action and dismantled much of the encampment on that front. In the course of this operation the soldiers seized documents that contained a report of the activities of the 11 FARC fronts which together constitute the so-called Southern Bloc.

As the soldiers opened the cardboard boxes containing the documents, they became aware that they had discovered one of the most forceful proofs of the marriage that in recent years had gradually been consolidated between the drug cartels and the guerrillas. The treasure that they uncovered included—among many other documents—the detailed accounts of receipts and expenditures for the growing, processing, and marketing of cocaine in the possession of the FARC fronts that constitute the so-called Southern Bloc. The revelations provided by these accounts enabled the authorities to establish that the FARC list a price of 25,000 pesos per kg of cocaine base and 35,000 pesos per kg of crystallized cocaine. According to a high-ranking officer who headed the operation, each of the fronts based in Caqueta Department has an annual revenue of between 20 and 25 billion pesos from the growing and trafficking of cocaine. In other words, the 11 fronts of the Southern Bloc generate approximately 275 billion pesos per year—a figure greater than the estimate for government spending that was announced by Finance Minister Guillermo Perry early this year.

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Another of the documents that were discovered reveals that the FARC in this area of the country not only control the production and marketing of the drug but also operate the clandestine landing strips. For the use of these strips, the FARC charge 3 million pesos each time a plane involved in the narcotics traffic lands or takes off from Caqueta Department. The XV Front also collects a fine of 200,000 pesos from the peasants for each hectare planted to coca that exceeds the authorized minimum [as published], which at the present time is four hectares.

But it may be that the most important evidence discovered by the soldiers of the 12th Brigade of the Army relates to the close relationship between the FARC and the Cali cartel. Some of the seized documents list the numbers of telephones, beepers, and radio frequencies rented out to members of the cartel whose identities have been kept confidential in order not to impede the investigations. "There are documents," one high-ranking Army officer told SEMANA, "that show how some bosses of the cartels of Valle [del Cauca Department] were carrying on large-scale drug dealing with the FARC fronts. Today—at least in Caqueta Department—it can be said that the cartel and the FARC function as a single enterprise that grows, processes, and distributes the drug abroad, in transactions involving the movement of hundreds of millions of dollars."

According to the seized documents, this industry uses—for its operations—a very well equipped broadcasting station that enables it to communicate with the other fronts of the Southern Bloc and the central command. The commanders of each front use the station to report news relating to the coca-growing business. The Army also discovered documents that reported the fluctuations in the world prices for cocaine. For its distribution operations the Southern Bloc has a complex infrastructure that includes small aircraft, boats, and light and heavy trucks.

Last week's operation—and the statements made by the commander of the Army, General Harold Bedoya—serve to confirm that the ties between the guerrilla forces and the narcotics traffic are incontrovertible. Although it is true that in the past the authorities had found some evidence of this close relationship, what the 12th Brigade found in Caqueta Department proves that Tirofijo and his lads have put aside their ideological principles in order to make way for an illegal industry that today—along with kidnapping—is perhaps the most profitable industry in the nation. This appears also to confirm reports that because of the profitability of the narcotics traffic, today's guerrillas prefer to lay aside the books of Marxism in favor of the books of account that record the multimillion-peso transactions of their narcotics enterprise.

The foregoing does not mean that the FARC are no longer interested in the quest for power. Instead, they are involved in a decadent vicious circle whereby they are interested in the money derived from drugs so that they can obtain more power—power that will enable them to carry out still more drug transactions.

[Box, p 92] The Tragedy of Rodrigo Turbay

In mid-October 1993 an anonymous envelope arrived at the Bogota headquarters of Ernesto Samper's campaign for the presidency of the Republic. The envelope contained a photograph in which both the Liberal representative Rodrigo Turbay Cote and the alleged narcotics trafficker Evaristo Porras appeared. The photograph had been taken during a political demonstration in Leticia that was also attended by the senator for Huila Department, Eduardo Gechen. The photograph became, in effect, a political death certificate for Turbay and Gechen, who were expelled immediately from the Liberal Party by Samper's campaign manager Fernando Botero Zea and the campaign's arbiter of ethics Jorge Valencia Jaramillo.

The Samper campaign management believed that the "unholy" company kept by the two Liberal Party politicians constituted more than sufficient reason to expel them from the party. "Would that in the case of Turbay and Gechen the principles of the presumption of innocence and due process had been applied—principles that are so often invoked these days," SEMANA was told by a Liberal Party leader in Caqueta Department who is an activist in Turbay's political group. The truth is that compared to the crisis being experienced today by the Samper administration because of the receipt of millions of dollars from the narcotics traffic, Turbay's supposed transgression was no more than an innocent and naive action by a provincial Colombian politician who was fated to share the same table and platform with the local Maecenas.

The only sure thing is that expulsion from the Liberal Party was but the first in a series of calamities that have beset the controversial political leader from Caqueta. In March of 1994 the office of Attorney General of the Nation asked the Council of State to cancel Turbay's investiture because of the improper conclusion of contracts and manipulation of Congressional perquisites. The Supreme Court subsequently issued an warrant for his arrest for the crime of extortion: specificallly, for having collected a 3 percent kickback from contractors in Caqueta Department. The circle of misfortunes was completed on 16 June of last year when the XV Front of

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the FARC kidnapped him as he was touring the department. Turbay's fate is unknown today. "In addition to undergoing the humiliation of expulsion from the party, Rodrigo Turbay has suffered the worst atrocity of all: kidnapping," one of his followers in Florencia told SEMANA.

Colombia: Proposed Amnesty for Legislators Viewed

96SM0109A Santa Fe de Bogota EL TIEMPO in Spanish 20 Feb 96

[Commentary by Francisco Santos — received via Internet]

[FBIS Translated Text] Meetings come and go, with Congress members involved in case 8000 and with others who are not; sometimes with the government and at other times without it. The truth is that an amnesty law [ley de punto final] is being cooked up for the predicament of the money from drug traffickers in politics.

And what exactly is boiling in that pot? A law in which a period (40 days is being mentioned) would be granted to all the politicians who received money from drug traffickers to send a petition to the Supreme Court in which they admit their guilt and, as a benefit, avoid a criminal process against them. The law would oblige them to withdraw from political activity forever.

Those who have studied this solution (which would even be useful for President Samper, because it could contain a presidential pardon clause, such as that existing in the United States, used by Gerald Ford for Richard Nixon) claim other advantages.

The most important point is that our justice system lacks the capacity to judge the entire political class and to get to the bottom of the matter, because corruption is too widespread. And the law would become a kind of abbreviated procedure, since there is now an early verdict for criminal cases.

It is no secret to anyone that the Prosecutor General's Office has over 10,000 checks that are difficult to trace because they were issued to third persons, who endorsed them to the Congress members' accounts. It is on that collective fear that the promoters of this idea are wagering.

They also claim that, with a massive resignation of legislators, the Congress would be really renewed. Mention is made of the experience of the Constituent Assembly, which revoked the Congress' mandate, imposing all kinds of new ground-rules to prevent the members' return to their seats, which proved to be an outright failure. Furthermore, not only did the political habits and faces of the Congress fail to be renewed, but the few new ones that ended up there, with but few exceptions, are worse than those that had already been acting there.

Finally, those who fear for the future of institutionality see in that solution an honorable end to this process, thereby avoiding "the country's dissolution."

Personally, I do not approve of a law of this type. We have spent too many years covering up a corruption that is just now surfacing to suddenly cover it again with a shield of impunity.

Never before in our country's history have we had four senators, a representative, and an ex-comptroller in jail, waiting for a trial and a verdict. Moreover, who was unaware that the majority of those now imprisoned were corrupt persons, who were pompously ambling about in the most highly esteemed political and social circles?

Finally, we are seeing them where they should be, and let us hope that the list becomes longer. For the present, this process of collective catharsis should continue, because this country has suffered too much in its battle against drug trafficking for those of us who are finding out which ones were playing on both sides to be approached by them with ideas of political expediency.

Furthermore, as Doctor Serpa reportedly said, it seems to me that this law has names of its own, such as those of the most tainted Congress members arrested or about to be arrested. I do not believe that many will come forward, and it would be a moral, ethical, and political calamity if a few, who are about to spend a few years in jail, were to take advantage of the law, and the scores of Congress members with guilty consciences were to take the risk of having better luck.

What is happening today is just the tip of the iceberg. Perhaps the proponents of the law are correct in claiming that this situation is too deep, and that we shall never reach an understanding of the real dimensions and scope of "narco-politics." But having Congress members in jail is good, and reveals a country with the capacity for its institutions to become reformed.

An amnesty law, of whatever kind, would set a disastrous precedent. If they favored the "poor little" politicians, why don't they favor me? This question might quite justifiably be asked by the guerrillas, the paramilitary, and even the "narcos," without any possibility of an answer from the State.

And this even though we are not taking into account the orangoutangs [play on "mico" (legislative rider; also, monkey)] that the Congress members might attach to it.

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Ecuador

Ecuador: 'Sources' Say Leoro Urged Identifying Impasses

PY2302144696 Madrid EFE in Spanish 0205 GMT 23 Feb 96

[FBIS Translated Text] Quito, 22 Feb (EFE) — Official sources reported today that Ecuadoran Foreign Minister Galo Leoro proposed to his Peruvian colleague, Francisco Tudela, identifying the "subsistent territorial impasses" affecting the two countries 60 days prior to the start of "definitive" negotiations.

Leoro and Tudela are currently holding in Quito their second meeting in less than one month within the framework of bilateral negotiations aimed at establishing procedures and mechanisms that will later allow them to discuss the border dispute which has caused three armed conflicts since 1941.

Quoting Leoro, the Ecuadoran State Communications National Secretariat (Senacom) has stated that "Ecuador proposed to Peru identifying the subsistent 'impasses' regarding territorial matters 60 days prior to the start of negotiations aimed at solving border disputes."

Peru reasserted to Ecuador the need for presenting the list of "impasses" in those areas which both countries believe are the cause of territorial disputes, but Ecuadoran authorities have declined to comply with this request, without giving any explanations.

Senacom added that Ecuador had also proposed the need for strengthening mutual confidence as an essential basis for continuing the current negotiations process.

Ecuador and Peru are holding peace negotiations after the military conflict waged between 26 January and 28 February 1995 over a border dispute in the area of the headwaters of the Cenepa River, a jungle region located 350 km south of Quito.

Ecuador: Alarcon Proposes Giving Up Military Powers

PY2302211196 Madrid EFE in Spanish 1911 GMT 23 Feb 96

[FBIS Translated Text] Quito, 23 Feb (EFE) — Ecuadoran Defense Minister General Alfonso Alarcon today proposed the possibility that Ecuador and Peru give up their military powers as a means to definitively solve the border problem which has been the cause of three wars between the two countries over the past half of century.

The general told the press: "It is possible that instead of the nonaggression pact (proposed by Ecuador and rejected by Peru) they (Ecuador and Peru) could give up the use of their Armed Forces to try solve their sovereignty and territorial problems."

Alarcon made these remarks after a meeting of the Security Council headed by Ecuadoran President Sixto Duran-Ballen, during which Ecuadoran Foreign Minister Galo Leoro reported on the meetings he has been holding since 22 February with his Peruvian counterpart Francisco Tudela.

Alarcon said that "we must try to prevent severing" the peace process between Ecuador and Peru which are disputing a territory without border markers on the common Amazon border.

Leoro and Tudela will conclude today their second round of meetings during which they are discussing procedures for future direct territorial negotiations between Ecuador and Peru.

Diplomatic representatives from the United States, Luigi Einaudi; Brazil, Ivan Canna Brava; Chile, Fabio Vio; and Argentina, Juan Jose Uranga are participating in the meetings.

Einaudi told the press that "peace is achieved by fulfilling the established treaties and with the peace declaration of Itamaraty (Brazilian Foreign Ministry) signed on 17 February 1995.

The Chilean representative said that the meetings of the Ecuadoran and Peruvian foreign ministers "have been extremely positive."

Ecuador: Next Round of Talks With Peru in Brazil

PY2402012596 Quito Voz de Los Andes in Spanish 1700 GMT 23 Feb 96

[FBIS Translated Text] The future direct negotiations between Ecuador and Peru will be held in Brazil, which is one of the guarantor countries of the Rio de Janeiro Protocol, Fabio Vio, Chilean delegate to the peace negotiations between Ecuador and Peru, confirmed today.

Vio, foreign policy director of the Chilean Foreign Ministry, said that it was decided that the direct talks between the two countries will be held in Brazil. He noted, however that no date has yet been established for the talks because the preliminary negotiations between Ecuadoran Foreign Minister Galo Leoro and his Peruvian counterpart Francisco Tudela have not yet concluded.

The two foreign ministers are holding in Quito the second round of talks to establish the procedures on which the future direct negotiations between the two countries will be based. The talks are aimed at finding

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a final solution to the border conflict between the two countries.

Vio did not say, however, if the talks on the procedures will conclude today because the negotiations are half way through. He added: The worse thing we could do now is to disturb the negotiations. We are halfway through the talks, therefore no major details can be disclosed because it could harm the talks.

Ecuador: Peru's Foreign Minister Speaks at Ceremony

PY2402033796 Quito Voz de Los Andes in Spanish 0227 GMT 24 Feb 96

[Statement by Peruvian Foreign Minister Francisco Tudela at closing ceremony at conclusion of talks at the Foreign Ministry in Quito — live]

[FBIS Translated Text] First, I would like to thank the Ecuadoran Government and people for their generous hospitality here in Quito. I would also like to thank the representatives of guarantor countries for their presence at this very important meeting. The two agreements signed here open the prospects for negotiations on the difficult issues, and, therefore, represent a decisive step and a new historic moment for Ecuadoran-Peruvian relations.

I would also like to point out that in the general terms of this agreement we are handing over the lists, which the Itamaraty [Brazilian Foreign Ministry headquarters] peace declaration defined as subsistent impasses, with the number of points on which the two countries maintain disagreements.

These lists were handed over to the guarantor countries and will be handed over to Ecuador and Peru when Peru reduces its presence at PV 2, Vigilance Post 2, to 60 men.

During the negotiations Peru offered to demobilize all men above the number of 60 at this post in order to consolidate the peace process and be able to make progress toward a final agreement in this preliminary discussion on proceedings so that we can take up the discussion on the remaining impasses as mentioned in the Paragraph 6 of the Itamaraty Declaration.

In this sense, the step we have taken today means that for the first time the two countries hand over their respective positions on the problems that have keep them apart in the past. This is an unprecedented step, I want to stress this again. It opens, for the first time in many decades, the door for direct negotiations between the two countries, under the auspices of the guarantor countries.

Finally, I would also like to thank the Ecuadoran delegation for their tenacity and forbearance during their negotiations with the Peruvian delegation and to Foreign Minister Galo Leoro for the cordiality and friendship with which he has always treated me. Thank you very much.

Ecuador: Leoro, Tudela Sign Two Agreements After Talks

PY2402041096 Quito Voz de Los Andes in Spanish 0211 GMT 24 Feb 96

[Live relay by Loida Carriel from the Ecuadoran Foreign Ministry in Quito during closing ceremony following talks between Ecuadoran Foreign Minister Galo Leoro and Peruvian Foreign Minister Francisco Tudela; agreements read by Ecuadoran official Fabian Valdivieso]

[FBIS Translated Text] [Valdivieso] The Governments of Ecuador and Peru agree on the following:

1. To deliver to the representatives of the guarantor countries their respective lists of subsistent impasses in accordance with Point 6 of the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration, which will be kept confidential.

2. The lists do not represent a compromise on the rights of the parties. They will have a definitive character and will not be vetoed by the parties. The content of the two lists will be the matter of discussion referred to in the Itamaraty Peace Declaration.

3. Peru will keep 60 soldiers in the PV2 [watch post 2], which will be verified by the MOMEP [Ecuador-Peru Military Observers Mission] and reported officially to the representatives of the guarantor countries.

4. After the MOMEP official communication and the report on the demobilization, in accordance with the terms of the Itamaraty Peace Declaration, are received, the representatives of the guarantor countries will deliver the list to the foreign ministers of the parties or to their representatives in Brasilia.

5. At the same time, the representatives of the guarantor countries express:

a. After the MOMEP checks PV2 and verifies that 60 soldiers are stationed at that post and that the demobilization was carried out at that post, the members of the guarantor countries will immediately proceed to deliver to the parties the lists of the subsistent impasses.

b. The MOMEP report will have two parts. The first one regarding PV2, and the second on the situation in the remaining areas. Regarding the second part, in case

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there are situations in which the demobilization was not completed, work will continue with the parties to resolve this situation.

[Dated] Quito, 23 February 1996

[Signed] Galo Leoro of Ecuador; Francisco Tudela of Peru; Juan Jose Uranga of Argentina; Ivan Canna Brava of Brazil; Fabio Vio of Chile; Luigi Enaudi of the United States.

[Carriel] The ceremony now continues with the signing of another agreement. The agreement says:

[Valdivieso] The Governments of Ecuador and Peru agree on the following:

1. To create a working group made up of officials of the defense areas of the two countries and by one diplomatic official as liaison.

2. This group will be in charge of drawing a bilateral mechanism for encouraging confidence between Ecuador and Peru, which would contribute to make the purchase of military equipment clearer and to strengthen the environment of security and stability between the two countries.

3. The working group will meet in Quito within the next 60 days to establish its duties and working agenda.

[Dated] Quito, 23 February 1996

[Signed] Galo Leoro of Ecuador; Francisco Tudela of Peru.

Ecuador: Foreign Minister Views Agreements Signed

PY2402044996 Quito Voz de Los Andes in Spanish 0231 GMT 24 Feb 96

[Statement by Foreign Minister Galo Leoro at closing ceremony at conclusion of talks at the Foreign Ministry in Quito — live]

[FBIS Translated Text] Representatives of the guarantor countries, distinguished ambassadors present here, members of the different delegations [words indistinct]. I would also like to say that at the conclusion of the talks we have reached two agreements. The first agreement is the one Francisco Tudela referred to.

The two agreements had to be negotiated with patience, looking [words indistinct] to be able to meet Point 6 of the Itamaraty Peace Declaration, which calls for a definitive agreement to put an end in an appropriate manner, we say in a just manner, to this problem which has separated us from Peru, a country with which we are not only neighbors but with which we have a series of common interests, and a series of aspects that make us fraternal.

The agreement that was read first is an agreement that has the purpose of continuing with the procedures for meeting Point 6 of the declaration. We, Ecuador and Peru, have delivered the list of the so-called subsistent impasses. We put the lists under the custody of the members of the guarantor countries. After the conditions established in the agreement are met, the lists will be delivered to the two countries. In other words, the lists will be disclosed for public knowledge. As Minister Tudela said, this is a significant step, the PV2 watch post of Peru will be demobilized, 60 soldiers will remain there, and the MOMEP [Ecuador-Peru Military Observers Mission] will give us the necessary information on the first step, and on the second step related to the situation of the demobilization process in general. If there are situations that have not been thoroughly fulfilled, the MOMEP made the commitment to continue its work until this aspect is resolved.

The second agreement is within the concept we originally proposed, the search for making the purchase of military equipment a clear process, the search for measures of trust that could even involve the concept of militarization. We also hope that the work group made up of... [live relay cut off due to technical problems].

Paraguay

Paraguay: Workers Demonstrate Near Government House

PY2302212896 Asuncion RPC Television Network in Spanish 1515 GMT 23 Feb 96

[FBIS Translated Text] Workers belonging to the CUT [United Workers Trade Union Federation] and the CNT [Workers National Coordinating Board] staged a demonstration a few minutes ago demanding an immediate salary hike. Both workers and policemen resorted to violence and stones were seen flying around. Some of the journalists and photographers covering the demonstration were stoned. Our Government House reporter Carlos Granada covered the events:

[Begin recording] [Granada] The situation in front of Government House is serious. CUT and CNT workers are staging a demonstration, which the police repressed just as the workers were marching past Government House chanting slogans against President Juan Carlos Wasmosy. There, you can see that stones are being thrown. [video shows a stone flying out of the crowd of marching workers, and policemen shooting tear gas canisters into the crowd, which is chanting "We want justice!"]

[Workers's leader Alan Flores] We have come here, and we will return time and again until Wasmosy agrees to see us.

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[Granada] Alan, what about the police repression?

[Flores] All I can say is that when the workers and the people voice their petitions, they are repressed. We have to get rid of this Colorado Party mafia who are squabbling among themselves and want to paralyze the country. [video shows workers marching and chanting "Wasmosy, go to hell!"]

[Granada] The workers are now moving down the street toward Congress. This is our report of what happened here, in front of Government House, just a few minutes ago. [end recording]

Paraguay: President Urges People To Respect Public Order

PY2302234496 Asuncion RPC Television Network in Spanish 2207 GMT 23 Feb 96

[Address to the nation by President Juan Carlos Wasmosy — recorded]

[FBIS Translated Text] My dear fellow citizens, the despicable attempts to promote disorders, and the instigation to break the Republic's institutional order that is encouraged by the leadership of one Colorado Party faction following the court order to postpone Colorado Party elections forces me to speak to you now to make crystal clear what follows:

First, the Capital's Electoral Court resolution is a decision adopted by a judicial branch organ the unquestionable authority of which emanates from the Constitution and the laws. As a consequence, and according to the constitutional principle of separation, balance, coordination, and mutual control of state powers, such a decision must be respected by the executive branch. Furthermore, the government is obliged to guarantee that the decision will be respected by all citizens in order to insure the preservation of order, social peace, and peaceful coexistence.

The executive branch will not permit, in no case whatsoever, the disruption of public order, any attempt against people's tranquility, or any attack against the institutions of this new Republic, which we are all together building in democracy, peace, and freedom.

In second place, there must not be the slightest doubt that whatever the result of the internal electoral process of the party of which I am a member, the eventual result cannot be attributed to my interventions, but to the free play of the electoral forces in dispute. I have observed and will continue to observe a strict impartiality in this process and with respect to the circumstances and events surrounding this election. If I intervened at all, it was, in all cases, with the purpose of seeking a consensus and help to the development of the electoral process within a climate of harmony and democratic maturity.

I have always said that the Colorado Party, as a main actor in this democratic process, must assume the historic commitment of giving a clear and enlightening example of civics and democracy to the entire Paraguayan society, taking advantage of this internal electoral process to strengthen itself as an institution.

Fellow citizens, I want to express to you the absolute assurance that I will act with all the firmness required by the circumstances to guarantee to all inhabitants of this land the free and regular development of their activities as well as the full exercise of all rights guaranteed to us by the Constitution and the law.

This is the obligation imposed on me by our legal system, which has been renewed by the will of the people and revitalized by the dialogues and agreements that permitted us to have a new judicial system. You may rest totally assured that I will know how to fulfill this commitment with the highest spirit of patriotism and the unshakable determination to banish the political terrorism that prevailed in the past and that today has been definitively — thanks to God and the people — overcome.

The people are tired of those who sow disputes, slander, and lies. The climate characterized by the full exercise of freedoms and the regular functioning of republican institutions must be carefully preserved and used by each one of us to achieve a more important participation in our national life. This is why I make an emphatic call to all citizens to honor their commitment with democracy and register their names in the permanent civic registry, thus making possible the preparation of a clean and clear registry, which will give legitimacy to future electoral processes and open the enlightening path of national harmony and unity.

Paraguay: President's Weekend Rural Activities Suspended

PY2302133596 Asuncion ABC COLOR in Spanish 23 Feb 96 p 6

[FBIS Translated Text] Strict security measures recommended by the Presidential Guards have prompted the suspension of all President Juan Carlos Wasmosy's weekend rural activities. The sources did not say why, but hinted that in view of the prevailing political atmosphere it is advisable to keep the chief executive in the capital. The sources refused to explain the decision any further.

The president's agenda for this week included several rural activities, such as the ceremony scheduled for 23

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February in Cruce Liberacion, San Pedro Department. Earlier in the week, there was talk that the president could visit other rural areas during the weekend, as he usually does. It was reported on 22 February, however, that all presidential activities outside Government House have been suspended "for security reasons." Government House sources have confirmed that everything had been ready for the president's usual trips, but at the last minute the Presidential Guards recommended that official trips be suspended. The sources refused to comment on the reasons for this suspension but hinted that the decision was made because of the political atmosphere arising from Colorado Party internal squabbles and the decision to suspend the elections of this party, scheduled for 25 February. The sources emphasized that it would be best to keep the president in Asuncion.

Lately President Wasmosy has been moving around the capital and in the rural areas surrounded by heavily armed military and special police security personnel. It was also reported that the Presidential Guards are almost permanently confined to barracks "just in case."

Not even the journalists are currently allowed near the gates of Mburuvicha Roga, the presidential residence. The guards claim to have been specifically instructed not to allow the journalists anywhere near the gates "for security reasons."

National Police sources have reported that personnel have been placed on alert because of the possible disturbances that could take place due to the suspension of Colorado Party elections. Police personnel are prepared to reestablish order if disrupted, the sources said.

The Presidential Press Directorate has released a communique stating that "all Paraguayans must realize that each and every one of us must be responsible for the freedom he or she enjoys, so that common sense and dialogue will always prevail over force and violence." This communique also denied that the executive branch is planning to decree the state of exception.

Paraguay: Military Units Prepared To 'Back Up' Police

PY2302162596 Asuncion NOTICIAS in Spanish 23 Feb 96 p 9

[FBIS Translated Text] Although there is no official information, sources close to the military leadership have reported that all Armed Forces units have been placed on alert to act in case of possible outrages during demonstrations prompted by the suspension of Colorado Party elections.

This was reported after certain squabbling factions of the Colorado Party threatened to take to the streets to protest the most recent postponement of Colorado Party elections.

A reliable source told NOTICIAS: "For the time being we have not been confined to barracks, but we have been ordered to be at our units on 25 February just in case."

According to the source, military personnel will have to be at their units whether the Colorado Party holds its elections or not.

Although the Armed Forces high command does not believe that there will be violence, our source stated that military personnel are prepared to "back up the police" if the latter are overwhelmed by events.

The source said: "As usual, we are ready, and our orders are to be prepared to help out the police if necessary."

The source added that all officers will "remain" in barracks on Sunday whether elections are held or not because that is what they have been ordered to do.

The source made it clear, however, that they are not getting ready for a possible coup d'etat. "We are simply getting ready to back up the appropriate security organizations. We do not want to upset the population, merely to be ready to help preserve tranquillity," the source said.

Paraguay: Army Communique Rejects Remarks by Argana

PY2402013796 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0030 GMT 24 Feb 96

[Communique by the "National Armed Forces, Paraguayan Army, Army Social Communications Center: Press Report No. 9"]

[FBIS Translated Text] With respect to the manifesto read by Luis Maria Argana, president of the Colorado Reconciliation Movement, the Army Social Communications Center informs the public:

First. The Army command categorically rejects the insidious remarks made by Luis Maria Argana, president of the Colorado Reconciliation Movement, involving and offending with vulgar language the Army as an institution, the Armed Forces commander in chief, the majesty of the Presidency, and the Army commander.

Second. The Army command condemns the call to disobey the law and the Republic's institutional order made by the leader of the Colorado Reconciliation Movement, warning that it is ready to fulfill its institutional mission to defend our legitimately constituted authorities.

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Third. The Army will not remain indifferent to the attacks against its dignity and the dignity of its highest authorities. It will demand an adequate reparation of the institutional affront perpetrated by Argana through reckless remarks and aberrant generalizations.

Fourth. Citizens serving in the Army are not circus clowns, but honorable servants of the Paraguayan nation who have accepted a code of honor and service that obligates them to reject the insulting appreciations made by the president of the Colorado Reconciliation Movement.

Signed: Colonel Blas Fernandez, chief of the Army Social Communications Center of the Armed Forces.

Peru

Peru: Talks With Ecuador Seen as 'Lesser of Two Evils'

PY2302213596 Lima Radio Programas del Peru Network in Spanish 1700 GMT 23 Feb 96

[Commentary by Cesar Arias]

[FBIS Translated Text] The current situation in Ecuador is difficult because President Sixto Duran-Ballen is not only in the last phase of his administration, but has also experienced a great loss of credibility not because of the war with Peru but because he has implemented a privatization and market economy program in compliance with the World Bank's neoliberal policy.

This kind of policy was overwhelmingly rejected by the Ecuadoran people, particularly by organized groups. In view of this, Duran-Ballen's government program has been partially frustrated. In addition, one of the grave mistakes of this government program, which shows the lack of political vision of the Ecuadoran administration and the World Bank, was to intend to weaken the Ecuadoran Armed Forces, which has powerful social support, by privatizing some companies owned by the Ecuadoran military.

Some believe that this is the main reason why the Ecuadoran military promoted the border conflict, to thereby prevent anyone from trying to weaken them through the privatization of their companies.

Therefore, Duran-Ballen has been unable to fulfill his government program. In view of this, his position has weakened. It is very difficult for a weak incumbent president to achieve agreements with foreign countries.

This is a fact. Many will wonder, however, what Peru can do. The answer, unfortunately, is that we cannot do anything. Although no important or decisive decisions will be adopted during this meeting, if Foreign Minister Francisco Tudela had refused to go to Quito by raising this argument, Peru would have shown ill-will and it would have appeared as if it was undermining the negotiations. If this had been the case, the Ecuadoran media and politicians promoting an anti-Peruvian stance would have exploited this situation to harden their position. Therefore, it would have been much harder to negotiate after the new Ecuadoran administration assumed power because Peru would be facing a much more adverse atmosphere.

Therefore, although Foreign Minister Francisco Tudela is perfectly aware of what is taking place, he is compelled to travel to Quito to avoid a deterioration of the situation. In other words, we are facing the lesser of two evils.

Peru: Bilateral Trade Agreement With Ecuador Extended

PY2302154196 Madrid EFE in Spanish 0209 GMT 23 Feb 96

[FBIS Translated Text] Lima, 22 Feb (EFE) — Peruvian Industry Minister Liliana Canale today reported that in compliance with the extended bilateral trade agreement in force, 62.5 percent of Peruivan exports to Ecuador have a zero customs tariff.

Canale added that in compliance with this agreement, 33.9 percent of Ecuadoran exports to Peru have a zero customs tariff.

After briefing the Permanent Congressional Commission today, Canale told the media that in view of the enforcement of this extended bilateral trade agreement, Peru will "save" $5.6 million.

She added that the extended trade agreement with Ecuador was enforced in December 1995 after a two-year negotiating process that encompassed three rounds of talks, which were also attended by Ecuadoran and Peruvian business group representatives.

Canale added that an initial agreement was signed with Ecuador in November 1992. This agreement established that up to 1994, 57 percent of Peruvian exports to Ecuador and 16.5 percent of Ecuadoran exports to Peru would have a zero customs tariff.

Canale added that the holding of bilateral negotiations has the advantage of solving any factor that may create a distortion or unfair competition practices.

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Peru: Drop in Fujimori's Popularity 'Unprecedented'

PY2302180796 Madrid EFE in Spanish 1731 GMT 22 Feb 96

[FBIS Translated Excerpt] Lima, 22 Feb (EFE) — According to various polls released today in Lima, Peruvian President Alberto Fujimori's popularity has experienced an unprecedented decline since he assumed power in 1990.

The private polling company Imasen has reported that the citizens' support for Fujimori's administration in February experienced a sudden drop of 13.9 points, receiving a support rating of 60 percent as compared to the 73.9 percent he had in January 1996.

Imasen added that in contrast, the citizens' disapproval level increased during the same period, from 17.5 percent to 29.7 percent. [passage omitted]

This drop in popularity has been attributed by analysts to two [as received] factors: the controversy emerging from the privatization of the State Petroleum Agency "Petroperu"; the prohibition on imports of used vehicles; and the "cooling" of the economy, which has reduced economic growth.

Fujimori, however, has played down the issue and said that soon he will make a public statement to explain the reasons of his government to conclude the privatization of "Petroperu" and to suspend the importation of used vehicles.

Commenting on the polls, the president said: "That drop in popularity is probably due to lack of information on the part of our citizens, but I want to make it clear that our work is based on national interests and not on popularity."

He added: "In due time I am going to explain why Petroperu's installations will be privatized, and why imports of used cars are being restricted."

Congress President Victor Joy Way said that despite the decline, Fujimori's popularity remains high in Latin America, "because the presidents of Argentina and Brazil, for instance, have a support rating of 40 and 41 percent, respectively." [passage omitted]

Peru: Disasters Prompt Civil Defense State of Alert

PY2302210996 Lima Radio Programas del Peru Network in Spanish 1700 GMT 23 Feb 96

[FBIS Translated Text] Peru has been affected by a series of natural disasters this past week, such as tidal waves, strong rains and a tremor. These disasters have left the tragic toll of nine deaths, 20 injuries, and thousands of dollars in damage.

A small tidal wave affected the Peruvian northern coast on 21 February, 90 minutes after a tremor that registered 5.7 degrees on the Richter scale rocked the sea bed 210 km southwest of Chimbote, 430 km north of Lima.

In Coisco Viejo, 7 km north of Chimbote, the rough waters threw a fishing boat against the rocks, hurling its three crew members over board. So far nothing is known about their whereabouts.

Moreover, in Cajamarca the hard rainfall of the last two days has destroyed approximately 50 houses and damaged several crops, and interrupted traffic on the road that links the region with (?Nascope), La Libertad.

The overflow of the (?Sanquerancash) has isolated more than 40 towns in the Black mountain range region after destroying more than 100 meters of the road linking the (?Shuklui) district with Yungay.

In view of this situation, National Civil Defense Chief (Antonio Vesef) has reported that all National Civil Defense committees must be in a state of alert in view of possible flooding. He also urged local mayors and the population to inspect critical areas.

Uruguay

Uruguay: Highlights of Foreign Ministry Reorganization

PY2402023096 Montevideo LA MANANA in Spanish 8 Feb 96 p 3

[FBIS Translated Excerpt] President Julio Maria Sanguinetti, in agreement with Foreign Minister Alvaro Ramos, approved on 6 February the Decree for the Organizational Restructuring of the Foreign Ministry. The mentioned decree is meant to modernize the Foreign Ministry, to overcome operational difficulties as consequence of its organizational structure, and to improve Uruguay's image before the rest of the world.

The principal guidelines of such restructuring are the following:

— The creation of a General Directorate of Integration Affairs and the Mercosur [Common Market of the South]. This new directorate will plan and execute activities to consolidate and develop Mercosur and integration. The General Directorate of International Economic Affairs will plan and execute, in coordination with other related organizations, international economic relations at bilateral and multilateral levels.

— Eight consulates will be closed (Genoa, Milan, Ciudad del Este, Marseilles, Rotterdam, Mar del Plata, Colon, and Hamburg) since their locations do not meet current demands and their functions can be handled by

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other diplomatic representations. Consular duties will be reoriented, especially to fully promote the country (trade, investments, tourism, culture, etc.). Consequently, the number of employees assigned to consular duties will be reduced from 54 to 26.

— Reopening of three embassies (El Salvador, Honduras, Nicaragua) thus recovering the political space lost there.

— An Office for the Evaluation and Inspection of Missions Abroad will be created with the purpose of examining the allocation of human, economic, and financial resources.

— The strengthening of the representations before the OAS (which will restructure relations with the Caribbean), United Nations (basically in subjects linked to the peace operations and their maintenance, and to committees and subjects that are currently not attended) and Geneva (because of the need to appropriately attend the multiple requirements of the WTO and the results of the Uruguay Round of Talks).

— A more efficient redistribution of the Foreign Ministry human resources so as to allow in the near future a better balance between the officials assigned to the Foreign Ministry and those assigned abroad. A Human Resources Office will be created to efficiently orient, plan, and assign human resources according to the needs of the foreign service as well as to train them.

— Elimination of the zone criteria. The seven zones will be eliminated and the General Directorate for Political Affairs will maintain only three regional directorates (America; Europe; Asia; and Africa and Oceania). [as published]

— The General Directorate for International Economic Affairs includes the Commercial Programming Unit under the name of Commercial Programming Directorate.

— The plan also proposes the following measures to save financial resources: To eliminate all the allocations assigned to honorary consuls (nearly $27,000 every three months) and to progressively eliminate the post of consulate chancellor [canciller de consulado] not renewing the corresponding contracts and transforming them into administrative posts.

— The reorganization of the Multilateral Affairs Directorate which comprises the Department of International Political Organizations, of Special Affairs, Human Rights and Humanitarian Law, and International Security and Disarmament. [passage omitted]

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